



**INTERIM REPORT OF THE OFFICE OF THE
ATTORNEY GENERAL ON THE INVESTIGATION
CONDUCTED PURSUANT TO SECTION 4-61dd OF
THE CONNECTICUT GENERAL STATUTES**

**ALLEGATIONS OF MISMANAGEMENT AT THE
UNIVERSITY OF CONNECTICUT'S
ENVIRONMENTAL RESEARCH INSTITUTE**

September 4, 2003

**RICHARD BLUMENTHAL
ATTORNEY GENERAL**

INTERIM REPORT

This interim report by the Office of the Attorney General summarizes the results to date of our investigation into allegations of mismanagement at the Environmental Research Institute (“ERI”) at the University of Connecticut (“UConn”).

Based on information developed by our investigation, we conclude that Dr. George Hoag, the Director of the Environmental Research Institute, improperly and irresponsibly abandoned and failed to perform the responsibilities entrusted to him by the University of Connecticut to supervise and oversee the operations of ERI. Although he was paid a salary of more than \$140,000 per year for the full-time Director's position, he purportedly assigned many of the supervisory and management duties he owed to the University to unqualified subordinates, without informing the University of his actions and without requesting or receiving the University's permission or authority to do so.

Beginning in 1999 and continuing through 2002, when UConn was paying Dr. Hoag to manage and supervise ERI on a full-time basis, Dr. Hoag earned well over \$1 million in fees from his lucrative private consulting business. He deliberately and knowingly failed to seek the University's permission or approval to engage in such outside consulting work as required by University policies. UConn would not have approved this consulting work because it vastly exceeded allowable consulting limits under established University policies. During the four years of Hoag’s deliberate inattention to ERI, questionable or illegal practices and procedures were implemented at ERI, including scientific misconduct, demand and receipt of cash payments from visiting foreign scientists and “donations” from private commercial laboratories, and the creation of a personal “slush fund” for some ERI employees.

Although the University has already removed Dr. Hoag as Director of ERI and has reasserted its control over ERI, taking timely steps to correct the mismanagement and scientific misconduct that occurred at that facility, this report recommends that the University consider appropriate disciplinary action against Dr. Hoag. The University should also consider whether and how to take legal action to recover compensation it paid to Dr. Hoag, which he did not fully or properly earn because of his failure to fulfill his duties and responsibilities.

ERI is a multi-disciplinary research and teaching organization in pure and applied environmental sciences and engineering, administered by the University of Connecticut. ERI is composed of approximately fifty (50) affiliated faculty members from seventeen (17) different academic departments. The primary mission of ERI is to conduct high quality research on existing and emerging environmental problems, to support the development of environmental remediation technologies, and to disseminate the information gained from these endeavors through collaboration with governmental, industrial, and educational institutions. As a public institution, UConn makes these resources available to federal, state and local governments, as well as to the private sector, through grants and contracts.

ERI's laboratories are staffed with approximately twenty-three (23) full-time employees, with experience in analytical chemistry, environmental chemistry and engineering, wildlife/fishery toxicology, and environmental sampling techniques. ERI has developed the capacity, with its analytical and sampling capabilities, to conduct environmental projects in-house and provide project oversight. ERI also provides on-site testing with its mobile laboratory. ERI's analytical laboratory is reviewed and certified by the State of Connecticut, Department of Public Health. Prior to 2003, ERI participated in two federal Environmental Protection Agency proficiency programs.

ERI has secured numerous contracts to perform services for state and federal agencies, including contracts with the State of Connecticut, Department of Environmental Protection. ERI administers several budgets, including the following: (1) University Funded Operating Account. The amount requested for fiscal year 2003 was \$1,975,000 and the approved amount was \$1,785,385. (2) The University Funded Capital Budget Account. The amount requested for fiscal year 2003 was \$1,035,000. The amount approved was \$0. The amount approved for fiscal year 2002 was \$80,000. (3) The Analytical Specialized Services Facility Account, representing direct and indirect costs due ERI for work performed in connection with grants and contracts and outside (commercial) work. The account's projected revenue for fiscal year 2003 was \$3,100,000. The account began the fiscal year 2003 with a deficit of \$701,000. The account began fiscal year 2002 with a deficit of \$921,421 and the fiscal year 2001 with a \$269,478 deficit. (4) The Engineering Specialized Service Facility Account, representing direct and indirect costs due up to the amounts specified in grants and contracts with ERI and University Principal Investigators for labor performed by Undergraduate, Graduate, and Postdoctoral students and technicians. The account began fiscal year 2003 with a balance of \$1,187,017. (5) The Indirect Costs Account, representing indirect costs reallocated from the Engineering Specialized Services Facility Account. This account began fiscal year 2003 with a deficit of \$661,971. (6) Individual grant accounts managed by ERI, representing the total grant award of each grant to both ERI and University Principal Investigators, less the indirect costs due the University. The total amount of these accounts at the end of fiscal year 2002 was \$15,360,281.

ERI was created in 1987 by UConn engineering professor George H. Hoag. UConn awarded Dr. Hoag tenure on September 1, 1988, and appointed him full professor in August, 1999. Hoag served as ERI's Director from the Institute's inception until December 17, 2002, when he resigned as Director and returned to his prior position as a full-time faculty member in the School of Engineering.

In July, 2002, an anonymous whistleblower submitted a complaint alleging misconduct at ERI. This misconduct included allegations that ERI laboratory workers had artificially manipulated scientific data when conducting analytical testing, that supervisors had illegally used and exploited foreign professionals participating in a "Visiting Scholar Program," and that ERI had engaged in improper accounting practices.

UConn and state and federal agencies commenced investigations, some of which are ongoing. The UConn Police Department obtained and served an arrest warrant for ERI's Laboratory Director, Shili Liu ("Liu"), charging him with larceny in the first degree and conspiracy to commit larceny. The UConn Police Department obtained and served an arrest warrant for ERI's Associate Director, Robert Carley ("Carley"), charging him with conspiracy to commit larceny. These criminal cases are pending.

UConn's Ad Hoc Committee Investigating Scientific Misconduct in Research has concluded its investigation into allegations that scientific data were artificially manipulated during ERI laboratory testing. That Committee found that one ERI employee, Dr. Jianshi Kang, intentionally engaged in scientific misconduct while working in ERI's Volatile Organics Laboratory, and that Dr. Shili Liu, ERI's Laboratory Director, was negligent in his supervisory duties.

The following federal agencies began investigating allegations of possible illegal or improper conduct at ERI: United States Attorney's Office, Federal Bureau of Investigation, United States Army, Department of Defense Contract Audit Agency, Environmental Protection Agency, Immigration and Naturalization Service.

Our investigation has focused on the management, supervision, and oversight of ERI's programs, budgets and employees. The results of our investigation to date, with recommendations, are included in this interim report. Based on the testimony and evidence we have reviewed, this office concludes:

1. Dr. George Hoag, ERI's Director, abandoned his responsibility to manage, supervise and oversee the operations, budgets and employees of ERI.
2. Although UConn paid Dr. Hoag in 2002 an annual salary of \$143,750 to manage ERI on a full-time basis, Dr. Hoag, beginning in 1999, purportedly assigned many of his management and supervisory responsibilities to his subordinates at ERI, without informing the University that he was abandoning his management responsibilities at ERI.
3. In 1999, while he was employed and paid by the University as the full-time Director of ERI, Dr. Hoag incorporated a private consulting business and personally engaged in extensive private consulting work, billing his consulting clients more than \$1,380,000 for 5,523 hours of his time for the years 1999 through 2002.
4. Dr. Hoag intentionally failed to ask the University for permission to conduct private consulting work, as he was required to do as an employee of the University, and the time he spent on consulting work far exceeded the maximum amount of time that UConn allowed its full-time employees to engage in outside consulting activities.
5. While Dr. Hoag was Director of ERI, the ERI employees to whom Dr. Hoag purportedly assigned his responsibilities to manage and supervise the Visiting Scholars Program, a University program accepting and paying professional scientists from other countries to work at the ERI laboratory, improperly:
 - assigned foreign scientists to work in private commercial laboratories, contrary to representations on visa applications the University made to the U.S. Information Agency Visitor Program Services that the foreign scientists would work at the University of Connecticut.
 - solicited and accepted "donations" from the private commercial laboratories for the work of ERI's visiting foreign scientists.

-required visiting foreign scientists to make cash "rent" payments although living accommodations for the scientists were made available to them by the University at no charge or expense.

-kept \$62,000 in cash in the ERI offices.

-used the "donations" from private laboratories and cash deposits from unidentified sources to operate a \$173,000 personal "slush fund" for some ERI employees to spend on travel, meals, hotels and expenses.

6. While Dr. Hoag was Director of ERI, ERI failed to implement adequate Quality Assurance/Quality Control protocols within ERI's Analytical Laboratory, although ERI had notice of possible deficiencies in this area, and one ERI employee intentionally engaged in scientific misconduct at ERI, and ERI's Laboratory Director was negligent in his supervisory duties.

7. While Dr. Hoag was Director of ERI, ERI spent a significant amount of money on fuel cell development before ERI had received funding commitments for this work, taking that money from an ERI account causing that account to produce a deficit of almost \$1million.

8. After learning of Dr. Hoag's failure to fulfill his responsibilities as Director of ERI and of the mismanagement and unlawful activity that had occurred at ERI, the University of Connecticut took strong and appropriate action to obtain supervisory control over ERI's operations and to correct the abuses that had taken place at that facility.

Our findings are summarized as follows:

Dr. Hoag Abandoned His Responsibilities to Manage ERI

- Dr. George Hoag, as ERI's Director, was responsible to the UConn administration to manage, supervise, and oversee all operations, budgets, and employees of ERI. UConn paid Hoag a full-time salary of \$143,750 in 2002 to serve as ERI's Director. He had no formal teaching obligations to the School of Engineering.
- In September, 1999, Hoag reorganized ERI, purportedly to relieve himself of his responsibility to the University to manage, supervise and oversee certain ERI budgets and expenditures, and operation of certain ERI programs, including the Analytical Laboratory and the Visiting Scholars Program. Hoag explained that as a result of his reorganization, he vested in Robert Carley responsibilities Hoag owed to the University Administration. Hoag created and assumed the title of "Executive Director," and created and assigned to Carley the title "Director of Operations."
- Hoag failed to seek or obtain approval from his supervisors in the UConn Administration to be relieved of his managerial and supervisory responsibilities or to designate Carley as the person responsible to the University administration to perform

these duties. He failed to inform his supervisors prior to or after the reorganization that he no longer considered himself responsible to the University Administration for the management, supervision and oversight of ERI, or that he had “appointed” Carley to perform these duties.

- We interviewed under oath each of Hoag’s three immediate supervisors between 1999 and 2003, Drs. Robert Smith, Ian Hart, and Janet Greger. We further interviewed under oath several high level University Administrators, including Thomas Callahan, Special Assistant to the University President; Fred Maryanski, Vice Chancellor for Academic Administration and Interim Chancellor in 1999 – 2000; and John Petersen, Chancellor and Provost of the University from 2000 to the present. Dr. Petersen’s title was recently reclassified to Provost and Executive Vice President of the University. From 1999 – 2003, first Dr. Maryanski and then Dr. Petersen served as the highest ranking administrative officer after the University President. None of Hoag’s three immediate supervisors between 1999 and 2003, and none of the University Administrators we interviewed under oath knew or had reason to know that Hoag no longer considered himself responsible to the University Administration for the management, supervision, and oversight of ERI’s operations, budgets and employees. After his reorganization, Hoag continued to report directly to his supervisor, the Vice Provost for Research and Graduate Education and Dean of the Graduate School, regarding ERI’s operations, budgets and programs. No other person reported directly to the Vice Provost regarding ERI’s operations, budgets, and programs. Our investigators located in the Vice Provost’s office an ERI document titled “Environmental Research Institute Changes to Organizational Structure 9/13/99,” that according to Hoag’s testimony, accurately reflected the changes he made to ERI’s organizational structure during his 1999 reorganization. This document states that Hoag “has the primary programmatic and fiduciary responsibilities for the overall operation of the Institute.” An ERI organizational chart attached to this document shows Hoag at the top, with Carley subordinate to Hoag. Further, in a written statement provided to the UConn Police Department, August 29, 2002, Dr. Hoag stated, “I am the Executive Director of the Environmental Research Institute and have been for fifteen years. I am the founding director of the Environmental Research Institute since I was the one that created it as the Executive Director, I have overall responsibility for all aspects of the Environmental Research Institute.”
- None of Hoag’s three immediate supervisors between 1999 and 2003, and none of the University Administrators we interviewed under oath knew or had reason to know that Hoag had “appointed” Carley to perform many of Hoag’s responsibilities owed to the University Administration to manage, supervise, and oversee ERI’s operations, budgets and employees. According to University officials, Carley was not a professor, did not have a doctorate degree and, therefore, was not eligible to perform these responsibilities.

- Hoag testified that he believed that as the Director of ERI, he had inherent authority to reorganize ERI's management structure so that Carley, and not Hoag, would be responsible to the University Administration for the management, supervision and oversight of many ERI budgets, programs and employees. University officials testified, however, that Hoag had no such authority. Hoag's immediate supervisors, and the highest level University Administrators whom we interviewed under oath, all stated that in order to relieve himself of these responsibilities and/or to appoint someone else to perform them, Hoag would have been required to seek and obtain a recommendation to do so from the Vice Provost for Research and Graduate Education and Dean of the Graduate School, to whom he directly reported, and then obtain approval from the Chancellor. Hoag did not follow this procedure, and acted unilaterally to reorganize ERI's management structure.
- Hoag further explained that after his reorganization of ERI, at the request of his supervisors, he had agreed to serve on numerous University Committees and provide his technical expertise to certain University projects. Hoag suggested that his work in these areas logically would have suggested to his supervisors that he had divested himself of certain responsibilities to manage and supervise budgets, programs and employees of ERI. Hoag's three immediate supervisors between 1999 and 2003, and the University Administrators we interviewed knew of and acknowledged some of Hoag's work in these areas. They stated, however, that these types of activities were expected of University faculty and managerial employees, and that Hoag's participation in these activities was part of his job. Moreover, they all testified that when the University requested Hoag to participate in these activities, none of them knew that Hoag no longer considered himself responsible to the University Administration for the management, supervision, and oversight of ERI's operations, budgets and employees. None of them offered or agreed that if Hoag served on University Committees and performed other activities, that he could or would be relieved of his responsibilities to the University Administration for the management, supervision, and oversight of ERI's operations, budgets and employees.
- Hoag further explained that on an annual basis, he completed and submitted to the UConn Accounting Division of Business Administration a "Signature Authorization Form." On this form, Hoag would designate various ERI employees to have "Signature Authority" to execute various financial documents in his absence. These documents included purchase order requisitions, reservation of funds, timecards, employment forms, transfer vouchers, receiving reports, payment vouchers, travel authorization, personal service agreements and short-term student financial aid loans. Hoag claimed that by providing "Signature Authority" to these employees, he had both vested in them responsibility to the UConn Administration for management and oversight of the areas in which these employees received "Signature Authority" and divested himself of responsibilities in these areas. For example, Hoag stated that because he provided "Signature Authority" to ERI's Assistant Finance Director and Business Manager, Hoag had no responsibility to supervise them or monitor their work, or to ask them to prepare and deliver to him financial reports for certain ERI budgets.

- Contrary to Hoag's stated understanding of the purpose and intent of Signature Authorization forms, University Administrators, including Special Assistant to the University President, Thomas Callahan, and Vice Chancellor for Academic Administration, Fred Maryanski, testified that these forms merely allow the person with responsibility to approve expenditures of University funds to designate a limited numbers of persons to execute spending authorizations when the responsible person is not available. Under no circumstance can the responsible person, in this case Dr. Hoag, relieve himself of responsibility to approve expenditures by designating an alternate authority to approve expenditures in his absence. Indeed, a 1999 Memorandum from the Director of Accounts Payable to Deans, Directors, and Department Heads explained the purpose of the Signature Authorization form as follows: "The authority to approve expenditures of University funds is delegated down to the level of Department Head. The purpose of requiring signatures is to ensure that the individual having assigned responsibility for the task is in fact approving the expenditures. This responsibility is not assigned nor is the authority delegated to assign such responsibility, to a broad cross-section of staff members. Although the Dean, Director, or Department Head is the primary signatory for his/her office, we will accept an alternate for instances where the primary approval authority is not present."
- Hoag testified that although he did not seek or obtain approval from University officials to reorganize ERI, at least three people knew that Hoag had replaced himself with Carley as the person responsible to manage and supervise many of ERI's budgets, programs and employees. Hoag claimed that through their course of dealings with ERI, Hoag and Carley after the reorganization, Assistant Vice Provost for Research and Graduate Education Ilze Krisst, former Vice Chancellor for Human Resources Virginia Miller, and former Vice Provost for Research and Graduate Education Robert Smith, Hoag's immediate supervisor when he reorganized ERI, would have known this. All three testified under oath that they neither knew nor had reason to suspect that Hoag had replaced himself with Carley as the person responsible to manage and supervise many of ERI's budgets, programs and employees. Krisst understood that at some point in time Carley became a "principal investigator," meaning he could submit grant applications and be ERI's employee directly responsible to the grant funder as the "principal investigator." She never knew, or understood that Hoag had replaced himself with Carley as the person responsible to manage and supervise many of ERI's budgets, programs and employees. Neither Hoag nor Carley ever said this to her. She could not recall having spoken to Carley in the past three or four years. Miller recalled dealing with ERI on reclassification of personnel matters, and having dealt with Carley as ERI's administrative person on some of these matters, but always viewed Carley as providing administrative support to ERI under Hoag's supervision. She stated that whatever responsibility Hoag may have attempted to delegate to Carley, he could not have replaced himself with Carley as the person responsible to manage and supervise ERI's budgets, programs and employees without seeking and obtaining approval from the highest level of the University Administration. She never knew, or understood that Hoag had purportedly done this. Neither Hoag nor Carley ever communicated

this to her. As discussed above, Smith testified that he neither knew nor had reason to know that Hoag had replaced himself with Carley as the person responsible to manage and supervise many of ERI's budgets, programs and employees, and Hoag never told him that Hoag had abandoned his responsibility to perform these duties.

- Hoag's immediate supervisor, Vice Provost for Research and Graduate Education, Janet Greger, met with Hoag to discuss the whistleblower's allegations when they were made in the summer of 2002. Greger testified that at no time during her conversations with Hoag about the allegations of mismanagement and misconduct at ERI did Hoag ever claim or explain to her that he did not consider himself responsible to the University Administration for the management, supervision and oversight of ERI's budgets, programs and employees. Hoag never claimed to Greger that pursuant to his reorganization of ERI in 1999, he had relieved himself of these responsibilities and appointed Carley to perform these duties. After the whistleblower's allegations became known to Hoag and the University, Hoag did not inform or claim to University Administrators that he did not consider himself responsible to the University Administration for the management, supervision and oversight of ERI, or that he had appointed Carley to perform these duties. It appears that Hoag made these claims for the first time when interviewed under oath in this investigation. Hoag testified that after the whistleblower's allegations became known in July 2002, he took an active and direct role to manage ERI functions. He revoked the Signature Authority he had provided to his subordinates and personally authorized expenditures. He assumed direct control of the Visiting Scholar program. At the request of his supervisor, he prepared a recommended protocol that the University could follow to determine whether scientific misconduct had occurred at ERI's Analytical Laboratory. When he became directly involved in these and other matters, Hoag did not claim to his supervisor, Vice Provost Greger, that pursuant to his reorganization of ERI, Hoag had divested himself of responsibility in these areas and had assigned these responsibilities to Carley.
- In September, 1996, a document entitled, "An Evaluation of the Environmental Research Institute and a Strategic Plan for 1996-2000" was prepared by a committee of eight people, including Hoag. According to this document, it was prepared in response to the Provost's directive for a five-year review of institutes and a new five-year strategic planning document for ERI. The document was presented to the Dean of the School of Engineering. This strategic plan for 1996-2000 includes an organizational chart, that shows Hoag, as Director, at the top with all other persons subordinate to him. This document does not mention or recommend that any of Hoag's responsibilities as Director be removed from Hoag and assigned to anyone else. This Strategic Plan does recommend, however, the creation of an Executive Committee consisting of ERI's Director who would serve as Chair, a representative chosen by members of the Environmental Engineering Program, representatives from departments that have three or more ERI-affiliated members, and representatives

from departments with an aggregate annual external funding through ERI of \$1 million or more. According to the Strategic Plan, this Executive Committee shall work with the Director to formulate policies and procedures involving general operations and administration of the Institute. The Executive Committee is responsible for oversight and implementation of the Strategic Plan, and, according to the Strategic Plan, will meet at least once per month. The organizational chart showed the Executive Committee subordinate to Hoag.

- A search of ERI's records located no minutes of this Executive Committee dated after Hoag's 1999 reorganization of ERI. Hoag testified that the Executive Committee did not meet after his 1999 reorganization. Hoag further testified that on occasion he asked Carley to convene meetings of the Executive Committee, but that Carley failed to do so, and Hoag took no action himself to convene Executive Committee meetings. Our investigation located minutes of Executive Committee meetings held prior to Hoag's reorganization. These minutes do not reflect an awareness, recommendation or approval on the Executive Committee's part for Hoag to divest himself of responsibilities to manage, supervise and oversee certain ERI budgets, programs and employees, or to assign these responsibilities to Carley. Hoag testified that although he could not be certain, he believed the document our investigators located in the Vice Provost's office titled "Environmental Research Institute Changes to Organizational Structure 9/13/99" was created to memorialize the proceedings at an Executive Committee meeting to approve Hoag's 1999 reorganization. As discussed above, this document does not indicate that Hoag had been relieved of any of his management responsibilities or that these responsibilities had been assigned to Carley. To the contrary, this document states that Hoag "has the primary programmatic and fiduciary responsibilities for the overall operation of the Institute." An ERI organizational chart attached to this document shows Hoag at the top, with Carley subordinate to Hoag.
- Hoag testified that after his 1999 reorganization, he had responsibility to supervise only those employees who reported directly to him. Hoag testified that Robert Carley reported directly to Hoag. Hoag testified that after he reorganized ERI's management structure in 1999 until he received the whistleblower's allegations in July, 2002, the number of hours he spent performing the managerial aspect of his duties as ERI's Director were "highly variable." He estimated that he spent an average of 15-20 hours per week performing management, supervision and oversight functions of ERI, including supervising Carley. Hoag further estimated he spent an average of 20-25 hours per week performing "professorial," research and other University related functions not involving the management, supervision and oversight of ERI.

**Dr. Hoag Engaged in an Extensive Private Consulting Business,
While Being Paid as the Full-Time Director of ERI.**

- In May, 1999, approximately three months before Hoag reorganized ERI's management structure, Hoag incorporated a private consulting business, Hoag Environmental Systems, LLC, with offices in Connecticut, Kansas and Missouri. In the years following his reorganization of ERI, Hoag personally engaged in extensive private consulting work. Records show that for the years 1999 through 2002, Hoag's consulting business billed clients an average of \$60,000 per month, approximately \$2,340,000, plus expenses. Of this amount, Hoag's company billed its clients more than \$1,380,000 for 5,523 hours of Hoag's time at \$250 per hour.

- UConn's policies and procedures require faculty members such as Hoag to disclose and obtain approval from their supervisors before engaging in private consulting activities. The supervisor's approval certifies that the work will be professionally appropriate, that it will not interfere with the faculty member's assigned duties, that it will not take more than the equivalent of one day per week, that University facilities will not be used, and that there will be no conflict of interest. Hoag purposely failed to disclose, seek or obtain approval for his consulting work for the years 1999 through 2002, when he billed his private clients the following hours for his time: 1,285.25 for 1999; 1,571 for 2000; 1,393 for 2001; 1,274 for 2002. Hoag billed his clients more than \$1,380,000 for his time during these years, a period of time that Hoag was being paid a salary in excess of \$110,000 per year by UConn to carry out his responsibilities as the full-time Director of ERI. Hoag did file a yearly consulting disclosure form for the year 1998 in which he represented that he engaged in zero (0) hours of private consulting work. Hoag's business records show that for 1998, he billed clients 649.25 hours for private consulting activities. These records show that Hoag continued to bill clients for his private consulting work after he resigned as ERI's Director, billing \$190,187.50 for 760 hours of Hoag's time for the period January 1 through May 30, 2003. Hoag failed to disclose, seek or obtain approval for this consulting work.

- Hoag testified that he failed to disclose and seek approval for his consulting work for various reasons. First, Hoag believed that Robert Smith, the Vice Provost for Research and Graduate Education and Dean of the Graduate School to whom he directly reported in 1999, might have denied permission for Hoag's consulting work because of Hoag's past disagreement with Smith over funding for a building to house ERI's activities. Because he believed that Smith might have denied his request, Hoag chose not to disclose or seek Smith's approval for his private consulting.

- During his testimony, Smith recalled that during a meeting with Hoag in the Spring of 2000, Smith reminded Hoag of his obligation to disclose and obtain permission for any private consulting work. Smith suspected but did not know that Hoag was engaged in private consulting. Hoag did not inform Smith of his consulting work at this or any other time. Smith testified that he would have denied a request to consult for the number of hours that Hoag's records show he billed his private clients because

the time spent exceeded the amount permitted under University policies. Smith further stated that as a general matter he counseled University personnel against consulting up to the maximum allowed one day per week. He learned from his personal experience as a consultant that it was very difficult to consult even one day per week and properly fulfill responsibilities owed to a university.

- Prior to 1997, Hoag reported directly to the Department Head of Civil and Environmental Engineering and ultimately to the Dean of the School of Engineering. After 1997, Hoag reported directly to the Vice Provost for Research and Graduate Education and Dean of the Graduate School. Hoag testified that the second reason he failed to disclose and seek permission for his private consulting work was because he understood the University's policies to require a faculty member to disclose to and request approval from the faculty member's Department Head, and obtain final approval from the Dean. Because he no longer reported to a Department Head and Dean, Hoag testified, he was confused about the policies, and believed he might be exempt from the disclosure and reporting requirements. University Administrators, including Chancellors Maryanski and Petersen, testified that Hoag's stated confusion about UConn's policies does not excuse his failure to disclose and seek approval for his consulting work. All University faculty, regardless of to whom they report, must disclose, seek and obtain approval for private consulting work. Moreover, the Vice Provost for Research and Graduate Education to whom Hoag directly reported after 1997 is also the Dean of the Graduate school, which means that Hoag did report to a Dean who would have authority to approve or reject a request to engage in private consulting. Hoag never sought clarification of the policy from his supervisors. Hoag filed a yearly disclosure report in 1998, which he submitted to the Dean of the School of Engineering, even though at that time he was reporting directly to the Vice Provost for Research and Graduate Education and Dean of the Graduate School.
- Hoag explained that his resume included categories titled "Consulting/Other" and "Expert Testimony" listing his consulting activities for various clients. He claimed that his resume was available to his supervisors and, therefore, they should have known that he was engaged in private consulting work even though he had failed to comply with University policies requiring him to seek and obtain approval for his private consulting work. Hoag produced a copy of his resume, which includes no information regarding the specific dates or time periods during which he engaged in private consulting activities, and no information regarding the hours he devoted to private consulting activities. The information included in Hoag's resume is insufficient to allow his immediate supervisor to certify, as required by University policies, that his private consulting work will be professionally appropriate, that it will not interfere with Hoag's assigned duties, that it will not take more than the equivalent of one day per week, that University facilities will not be used, and that there will be no conflict of interest. Hoag did not claim that Drs. Smith, Hart and Greger, his immediate supervisors during the period 1999 – 2002, received or read a copy of his resume showing Hoag's private consulting activities.

- Subsequent to providing the above explanations during his interview under oath, Dr. Hoag, by his attorney, notified our Office that Hoag “is in the process of submitting past and present consulting arrangements to the proper authorities at the University.”
- UConn’s policies and procedures limit the amount of time that a faculty member such as Hoag may devote to private consulting work. With prior approval, faculty may consult no more than the equivalent of one day per week during the academic year, when many faculty members work under a nine month contract as “seasonal” employees. Chancellor John Petersen testified that when serving as ERI’s Director, Hoag was a twelve-month full-time employee. Therefore, had Hoag disclosed and obtained approval for his private consulting, he would have been allowed to consult no more than the equivalent of 52 days at 8 hours per day, or 416 hours per year. The amount of time Hoag devoted to private consulting work for the years 1998 through 2003 significantly exceeded these limits.

ERI’s Visiting Scholars Program was operated in an Improper or Unlawful Manner.

- Hoag irresponsibly abandoned his duties to manage, supervise and oversee ERI’s Visiting Scholars Program. Through its Visiting Scholars Program, ERI accepted professional scientists from other countries to visit UConn for a period of six to twelve months to work in the ERI Laboratory. Based upon information provided by ERI, the University, in order to obtain visas under the U. S. Information Agency Exchange Visitor Program Services, represented that the Visiting Scholars would, in fact, work on “research conducted by the University of Connecticut.” However, according to the UConn Police Department’s report, Carley admitted that ERI assigned some Visiting Scholars to private commercial laboratories in Rhode Island, instead of working in ERI’s laboratories. Another ERI employee, Dr. TianMin Xie, testified that he knew of approximately ten Visiting Scholars whom ERI assigned to work in private, commercial laboratories in Rhode Island. Hoag testified that in discussions with Carley after he received the whistleblower allegations in July, 2002, Carley stated that ERI had sent Visiting Scholars to work in private laboratories instead of assigning them to work at ERI.
- Dr. Xie testified that he first learned of this arrangement when he was an employee of one of the private laboratories, before he came to work for ERI. ERI and the commercial laboratory agreed that ERI would send Visiting Scholars to work in the private laboratory, and the private laboratory would pay ERI for each Visiting Scholar \$14,000.00 to \$15,000.00, the amount of the Visiting Scholar’s yearly stipend provided by ERI, plus 20% for “overhead” and “administrative costs.” ERI’s Business Office’s financial statements record ERI’s receipt of “donations” to ERI from these private companies. Hoag stated he had no knowledge of this alleged scheme to provide the labor of foreign nationals to private companies or ERI’s receipt of “donations” from these companies. He testified that after he learned of the whistleblower’s allegations, he made inquiries of ERI’s Business Office and found the finances regarding the Visiting Scholar Program to be “exceptionally poorly

organized,” and in a “complete state of disarray in the Business Office, and even more so with regard to how Shili Liu was managing it.” Hoag stated his belief that it would not be proper for Visiting Scholars to work off-site in private laboratories, because the Visiting Scholars’ visas were based on the foreign scientists working at UConn and not anywhere else, and because the purpose of the program was to train the Visiting Scholars in environmental analysis at UConn. Hoag testified that he did not inquire where the Visiting Scholars were working, and that he assumed they were working at ERI. Hoag stated that he was not responsible for the operation, supervision or oversight of the Visiting Scholar Program, because in 1999 he had relieved himself of these responsibilities and appointed Carley to perform them. Hoag, however, did not have permission from UConn to divest himself of his responsibilities or to appoint Carley or anyone else to perform them.

- Hoag irresponsibly abandoned his duties to manage, supervise and oversee ERI’s operations, accounting procedures, and employees. ERI agreed to provide the Visiting Scholars free housing on the University campus and a stipend of \$7,300.00 to \$7,500.00 for a six month appointment. ERI paid over \$48,000.00 per year to the University’s Department of International Affairs, which operated the on-campus housing facility where the Visiting Scholars resided. Carley admitted to the UConn Police that he had authorized Liu to demand and receive from Visiting Scholars payments for “rent.” Another ERI employee, Amine Dahmani, told the UConn Police that for approximately two years before 2002 he had been aware that Shili Liu had been collecting rent from the Visiting Scholars, under the authorization of Carley. Dahmani told UConn Police that Carley had asked Dahmani to collect rent from some Visiting Scholars and deliver the collected money to Dr. Liu. Dahmani further told UConn Police that often he had observed Visiting Scholars pay rent money to Liu’s secretary, who then delivered the money to Liu.
- Dale Dreyfus, Vice Chancellor for Business and Administration, stated that UConn’s policies prohibited ERI from charging rent to the Visiting Scholars. ERI’s Business Office’s records reflect no deposits of these “rent” payments into any ERI or University account. Liu did produce to the UConn Police Department \$62,772 in cash he kept in his office at ERI, that he admitted were the proceeds from rent payments he collected from Visiting Scholars. Hoag testified that he had no knowledge that ERI employees were demanding and collecting “rent” from Visiting Scholars, and had not authorized this conduct. Hoag stated that collecting “rent” would have been inappropriate because ERI had already paid for the Visiting Scholars’ rent. Hoag stated that he had minimal involvement with, and was not responsible for the management or supervision of the Visiting Scholar Program or ERI’s accounts and operations related to the Visiting Scholar Program, because in 1999 he had relieved himself of these responsibilities and appointed Carley to perform them. Hoag, however, did not have permission from UConn to divest himself of his responsibilities or to appoint Carley or anyone else to perform them.

ERI Operated a Personal “Slush” Fund for Some of its Employees

- In 1996, Hoag executed documents necessary to create a new ERI account, the “China National Environmental Monitoring Center” account. Carley and Liu were authorized to make deposits to and expenditures from this account. The stated purpose of this account was to act as custodian of a cash fund received from the China National Environmental Monitoring Center for a three week cultural visit to ERI. A \$10,000 check from a “benefactor” in North Carolina was deposited to open this account in June, 1996. When contacted by investigators from the Attorney General’s Office, this “benefactor” claimed no recollection of having provided these funds, or why he provided to ERI a check made payable to the University of Connecticut in the amount of \$10,000.
- This account remained open, however, and became known in ERI’s Business Office as the “China Agency Account,” “China Monitoring Account,” and “China Taiwan Account.” Over the years, ERI employees made deposits into this account that should have prompted inquiries by Hoag. Liu made a \$22,500 cash deposit in 1996. The source of this cash is unknown to ERI’s Business Office. Liu and Carley declined to be interviewed for our investigation, citing the criminal charges pending against them. From September 28, 1999 through March 15, 2002, ERI’s Business Office deposited into the China Agency Account a dozen “donations” totaling more than \$110,000, made by private laboratories to which ERI allegedly provided the labor of Visiting Scholars. Hoag stated that it would not have been proper for ERI to receive and deposit into the China Agency Account payments from private laboratories for the services of Visiting Scholars, because the Visiting Scholars should not have been working anywhere but UConn, and because any donations made to ERI should have been turned over to the UConn Foundation, and not deposited into the China Agency Account.
- From the account’s inception in 1996 through June 30, 2002, ERI recorded revenue of \$173,980 to the China Agency Account, 77% of which was Liu’s cash deposit and the private laboratories’ “donations.” From this account ERI paid for travel by Carley, Liu and others to China, Taiwan, and the Philippines, including meals, hotels and other expenses which ERI purportedly incurred operating the Visiting Scholar Program. However, ERI did not pay the Visiting Scholar’s stipends and housing expenses from this account. ERI paid these stipends from its payroll accounts or accounts identified to a specific grant on which a visiting scholar worked. ERI paid housing expenses from a sub account titled “Rent-storage” under the Analytical Account. ERI did not deposit the private laboratories’ “donations” into these accounts, did not direct these “donations” to the UConn Foundation, but instead deposited them into the China Agency Account. ERI made improper deposits from questionable sources to the China Agency Account in an apparent attempt to create a personal “slush fund” for some employees’ use. Hoag testified that prior to his

receipt of the whistleblower's allegations, he did not know of the private laboratories' "donations." Hoag claimed that Carley, not Hoag, had ultimate responsibility for the China Agency Account, including authorizing expenditures from this account. Hoag stated that he did not ask for, and Carley did not make reports to Hoag regarding deposits to and expenditures from the China Agency Account.

- Hoag did not question the propriety or source of Liu's \$22,500 cash deposit. The "donation" to ERI of more than \$110,000 by private laboratories did not prompt Hoag to make inquiries about ERI's relationship to the donors, why these companies were making periodic "donations," and why ERI's Business Office was depositing these "donations" into the China Agency Account. Liu produced to the police \$62,772 in cash he kept in his office at ERI. Hoag testified that he had no knowledge of Liu's \$22,500 cash deposit to the China Agency Account, that he did not know that private laboratories to which ERI allegedly had supplied foreign labor had made "donations" that were deposited into the China Agency Account, or that substantial amounts of cash were kept in ERI's offices. Hoag stated that he had minimal involvement with, and was not responsible for the management or supervision of the Visiting Scholar Program or ERI's accounts and operations related to the Visiting Scholar Program, because in 1999 he had relieved himself of these responsibilities and appointed Carley to perform them. Hoag, however, did not have permission from UConn to divest himself of his responsibilities or to appoint Carley or anyone else to perform them.

ERI Failed to Implement Adequate Quality Assurance/Quality Control Protocols for its Analytical Laboratory

- Hoag irresponsibly abandoned his duties to manage, supervise and oversee Quality Assurance/Quality Control protocols within ERI's Analytical Laboratory. The University's Ad-Hoc Committee Investigating Scientific Misconduct in Research found that one ERI employee, Kang, intentionally engaged in scientific misconduct at ERI's Volatile Organics Laboratory, and that Liu was negligent in his supervisory duties. Dr. TianMin Xie testified that Carley and Liu hired him away from a private commercial laboratory to come to work at ERI in February, 2001. Carley and Liu explained to Dr. Xie that they knew ERI's Quality Assurance/Quality Control protocols were deficient to the point that ERI would not be able to secure certification from the National Environmental Laboratory Accreditation Conference ("NELAC"). ERI wanted to achieve NELAC accreditation in order to compete for additional commercial, non-research related contracts. Carley and Liu explained to Dr. Xie that they wanted to hire him because of his expertise in the area of proper QA/QC protocols for analytical laboratories. Xie testified that he found significant deficiencies within ERI's Analytical Laboratory, and made specific recommendations to Carley in October, 2001, which Carley ignored. In early 2002, ERI was preparing for an inspection by NELAC representatives. Carley instructed Xie not to be involved in this inspection or to meet with the auditors. This inspection found certain

deficiencies within ERI's Analytical Laboratory. Hoag claimed that prior to the whistleblower's allegations, he was unaware of NELAC's 2002 Certification Inspection Report that found numerous faulty practices in handling testing substances and in performing tests to ensure accurate results in ERI's Laboratory. When describing how he first learned of this 2002 certification report, Hoag was unable to identify the name of the accrediting organization referred to by the acronym "NELAC."

- Pursuant to subpoena, Dr. Hoag produced certain documents from his files. Included in these documents were memos to ERI's laboratory workers from Dr. Xie dated October 9, 2001, and April 16, 2002. The subject of these memos was ERI's receipt of a September 5, 2001 letter from the federal EPA's Office of Inspector General stressing to entities that performed analytical laboratory work on behalf of EPA that appropriate precautions should be taken to prevent intentional falsification of analytical and quality assurance results. Dr. Xie's memo emphasized that in ERI's laboratory, "any unethical practices, any inappropriate manipulation of data is forbidden. Manual integration of chromatographic peaks should be avoided. . . any effort of manual integration to make data pass QC control criteria is against the law." Dr. Xie's memos established retraining for laboratory operators and supervisors and new employees who had joined ERI's Analytical Laboratory after the initial retraining. The whistleblower's letter alleged that laboratory workers had engaged in inappropriate manipulation of data, and UConn's internal investigation has found numerous examples of scientific misconduct resulting from data manipulation in the Volatile Organics Laboratory that were "clearly intentional."
- Dr. Xie testified that he had no conversations with Hoag from the time he was hired by ERI in February, 2001, until after the whistleblower allegations surfaced in July, 2002. Dr. Xie testified that although he passed Dr. Hoag in the hallway on occasions, the first time he heard Dr. Hoag's voice was after the whistleblower allegations were made. Xie testified it was clear to him that Hoag did not recognize or know who Dr. Xie was, even though Dr. Xie had been hired to address QA/QC deficiencies in ERI's Analytical Laboratory. Hoag testified that ERI hired Xie without Hoag's prior knowledge or approval.
- State DEP inspections conducted in May and June, 2001, determined that UConn was violating regulations regarding the handling of hazardous waste generated by ERI's Analytical Laboratory. Hoag testified that he was actively involved in managing ERI's response, and negotiating a Consent Order with DEP dated March 15, 2002. According to Hoag, at the time of the DEP inspections Carley, and not Hoag, was responsible for ERI's Analytical Laboratory. Hoag characterized Carley reaction as "a bit cavalier," and recalled that Carley believed DEP was being unreasonable. Hoag was more concerned, however, about UConn's Environmental Health and Safety Division's performance, which he blamed for the violations, than

about Carley's or ERI's. When asked whether the hazardous waste violations caused him to develop questions or concerns about Carley's ability or performance, Hoag stated that probably he had some concerns about Carley's ability to oversee Liu, then ERI's Laboratory Director, and Liu's laboratory management capabilities regarding hazardous waste. Hoag took some steps to monitor ERI's compliance with the DEP Consent Order, but did not take back from Carley ultimate responsibility to manage and supervise ERI's Analytical Laboratory, which according to Hoag, he had assigned to Carley in 1999. After the DEP inspections found violations, Hoag did not hold regular meetings or briefings with Carley to discuss the Analytical Laboratory's certification inspections and audits, or issues related to proper QA/QC procedures in the laboratory. Hoag testified that he relied on Carley, Liu and others to report to him any problems, and none did so. Hoag further stated that because he was trained as an engineer and not a chemist, he did not have the appropriate expertise to understand and monitor compliance with proper QA/QC protocols in ERI's Analytical Laboratory.

- UConn's internal investigation into allegations of scientific misconduct in ERI's Volatile Organics Laboratory examined the period January, 2000 – April, 2002, a time period after the DEP inspections found violations and during which time Hoag continued to view Carley and Liu as the persons ultimately responsible to the University to manage and supervise ERI's Analytical Laboratory, which included the Volatile Organics Laboratory. UConn's Committee found numerous examples of scientific misconduct in the Volatile Organics Laboratory that were "clearly intentional," but in most cases could not be ascribed to specific individuals. UConn's investigation determined that it was possible for any individual at ERI to manipulate data files without his/her name being associated with that activity. The Committee found that the intent of these data manipulations clearly was to allow the QA/QC parameters to fall within an accepted range, and that manipulations of this sort "are unacceptable, and resulted in false statements in final reports." The Committee found that the manipulations were not the result of carelessness, but "were intentional efforts that resulted in the falsification of data." The procedures used "were often so absurd that no trained scientist would find them acceptable." Dr. Kang admitted to the practice of data manipulation, and the UConn Committee found that he engaged in scientific misconduct. Dr. Liu denied any involvement in this misconduct, but the UConn Committee found that Liu was negligent in performing his supervisory duties.
- UConn's internal investigation determined that the Visiting Scholars performed a great deal of the environmental sample preparation and analysis during the time period examined by the investigation. "Several individuals [interviewed by the UConn Committee] stated that little attention was paid to proper training of visiting scholars, QA/QC, oversight of personnel performance, and/or vigilance towards maintaining data integrity." Dr Kang told the Committee that the Quality Control standards ERI promised its customers were unrealistic and that minor manipulations of data to meet these standards were, in his opinion, justified. The Committee stated its opinion that, "this attitude toward QC criteria, paired with nearly a complete

absence of oversight, set the stage for scientific misconduct. Although many of the appropriate QA/QC programs were technically in place. . . these safeguards were of little value due to a lax attitude toward oversight and supervision.” The Committee concluded that the lack of oversight of Visiting Scholars, and the lack of review of data by supervisors provided an environment that allowed the practice of manipulating data to go undetected for well over a year. “It is the Committee’s opinion that these unethical practices may have been prevented if the ERI management had emphasized the importance of appropriate training, QA/QC and general laboratory oversight, and data integrity.” Hoag claimed that Carley and Liu, and not Hoag, had responsibility to the University Administration to manage and supervise the quality and integrity of the analyses and scientific work produced by ERI’s Analytical Laboratory, because in 1999 he had relieved himself of these responsibilities and appointed Carley to perform them. Hoag, however, did not have permission from UConn to divest himself of his responsibilities or to appoint Carley, Liu or anyone else to perform them.

ERI Improperly Spent a Significant Amount of Money on Projects and Mismanaged its Financial Accounts.

- Hoag irresponsibly abandoned his duties to manage, supervise and oversee budgetary operations at ERI. There was a lack of supervision and accountability in the ERI Business Office. For example, the ERI Analytical Specialized Services Facility Account (“Analytical Budget Account”) had a deficit of hundreds of thousands of dollars. The beginning deficit in the account, as shown in the 2002 Fiscal Year budget prepared in July, 2001, was more than \$921,421. The principal cause of this deficit was ERI’s transfer of funds from the Analytical Budget Account to cover expenses ERI began to incur in 2000, and continued to incur, for certain fuel cell development research for which ERI did not receive its first funding commitment until September, 2001. When Fiscal Year 2003 began, the Analytical Budget Account showed a deficit of \$701,000. Hoag claimed that he did not know the size or cause of this deficit. Hoag recalled that in the spring of 2001, he was aware that ERI has incurred a deficit of approximately \$220,000 in connection with the fuel cell development research project. Hoag stated that he instructed Carley not to spend any further ERI funds on this project until outside research funding had been obtained, and that he wanted the project not to lose money. Hoag testified that the Analytical Budget Account was required to break even at the end of each fiscal year. Hoag testified that he received no financial statements regarding the Analytical Budget Account or the fuel cell development project after he provided these instructions to Carley, even though he specifically requested Carley to provide accounting information. Carley told Hoag that ERI’s Business Office was busy with other matters and could not provide this information when Hoag requested it. Hoag stated he did not order or cause the Business Office to produce this information for his review. Hoag testified that he did not know that at the beginning of the 2002 fiscal year, the Analytical Budget Account showed a deficit of more than \$900,000. Hoag testified that he did not know that at the beginning of the 2003 fiscal year, that the Analytical Budget Account showed a deficit of more than \$700,000. He claimed that

he was not responsible for the management and supervision of ERI's Analytical Budget Account, because in 1999 he had relieved himself of this responsibility and appointed Carley to perform this responsibility. Hoag, however, did not have permission from UConn to divest himself of his responsibilities or to appoint Carley or anyone else to perform his responsibilities.

The University Took Timely and Appropriate Action to Correct the Mismanagement and Improper Practices at ERI.

- UConn appears to have made a timely and appropriate response to the allegations made by the whistleblower. UConn made a self-report to various funding agencies. UConn requested and obtained Hoag's resignation as Executive Director of ERI.¹ UConn did not renew the annual contracts of Carley and Liu when they expired in 2003. Kang retired. The University impaneled a committee to investigate and determine whether scientific misconduct occurred at ERI's Volatile Organics Laboratory. This Committee determined that Kang intentionally engaged in scientific misconduct and that Liu was negligent in his supervisory duties. UConn has commenced the process of reviewing possibly questionable test results and notifying recipients of these results pursuant to established protocols. Under the direction of the Interim Director who replaced Hoag, ERI has developed and implemented a Quality Assurance/Quality Control protocol designed, among other things, to ensure against artificial manipulation of scientific data in the laboratory. In 2003, ERI's laboratories successfully completed four different laboratory review/audits including National Coastal Assessment, National Environmental Laboratory Accreditation Council, National Environmental Laboratory Accreditation Program, and EPA Technical Systems Audit. UConn significantly restructured the financial management at ERI. UConn determined that ERI's "Engineering Service Center" did not exist as a true Specialized Services Facility because it delivered no billable function. The University now requires all research proposals submitted through ERI to list direct costs and the standard University rates for indirect costs. UConn has established campus-wide training efforts on research compliance and management, and the President appointed the President's Research Advisory Committee to assess research management and compliance practices and policies on campus. UConn retained an outside accounting firm to review ERI's handling of grant funds. UConn has frozen certain questionable accounts and has implemented direct oversight and supervision of ERI's Business Office. UConn has decided not to continue the Visiting Scholar Program at ERI. UConn has cooperated fully with the Attorney General's investigation.

¹ Hoag remains a tenured faculty member and full professor in the Department of Engineering.

Conclusion

Without authority and approval to do so, Dr. Hoag abandoned his supervisory responsibilities over the operations of ERI, purportedly assigning the responsibilities owed to the University Administration to other individuals. During the last four years of his deliberate inattention to ERI, questionable, and possibly illegal, practices and procedures were implemented but never reported to the Administration of the University of Connecticut. During the same period of time that Dr. Hoag was being paid to manage and supervise ERI on a full-time basis, Dr. Hoag established a lucrative private consulting business and deliberately and knowingly failed to inform the University of his consulting activities or of his decision to abandon his responsibilities to manage and supervise ERI. Dr. Hoag's lack of supervision over ERI and his failure to inform University officials that he was no longer fulfilling his responsibilities denied the University the opportunity either to order Hoag to perform his duties, or to assign a person of its choice to manage ERI, which could have prevented the mismanagement and questionable and possibly illegal practices and policies that developed at ERI.

Interim Recommendations

1. The evidence developed by our investigation shows that Hoag's failure to disclose, seek and obtain approval for his private consulting activities violated University policies and procedures. The University should take appropriate disciplinary action against Hoag.

2. The evidence developed by our investigation shows that Hoag's private consulting activities violated University policies and procedures limiting the amount of time a faculty member may devote to private consulting activities. The University should take appropriate disciplinary action against Hoag.

3. The evidence developed by our investigation shows that Hoag's actions unilaterally to divest himself of responsibility to the University Administration to manage, supervise and oversee certain operations, budgets, and employees of ERI without seeking or obtaining approval from his supervisors violated University policies and procedures. The University should take appropriate disciplinary action against Hoag.

4. The evidence developed by our investigation shows that Hoag's actions unilaterally to appoint Carley, a person without a doctorate degree and who was not a professor, as the person responsible to the University Administration to manage, supervise and oversee certain ERI programs, budgets and employees violated University policies and procedures. The University should take appropriate disciplinary action against Hoag.

5. UConn should consider whether and how to take legal action to recover compensation it paid to Dr. Hoag, which he did not fully or properly earn because of his failure to fulfill his duties and responsibilities.

6. UConn should continue to develop, revise and implement policies and procedures appropriate to address the mismanagement and misconduct that occurred at ERI, and to ensure that such misconduct does not happen again.