

1        So let's take 20 minutes and we'll  
2        reconvene at -- I'm saying call it five till --  
3        approximately five till 11:00 and then we will  
4        get started with the full board meeting.

5 RECESS

6 BACK IN SESSION

7        CHAIRMAN LAWSON: Okay. Let's move right  
8        into the board meeting.

9        At this point Attorney Barge-Miles, would  
10       you please call the roll?

11       MRS. BARGE-MILES: Trustee Carter.

12       TRUSTEE CARTER: Here.

13       MRS. BARGE-MILES: Trustee Cavazos.

14       TRUSTEE CAVAZOS: Here.

15       MRS. BARGE-MILES: Trustee Dortch.

16       Trustee Lawrence.

17       Trustee Lawson.

18       CHAIRMAN LAWSON: Here.

19       MRS. BARGE-MILES: Trustee Mills.

20       Trustee Moore.

21       TRUSTEE MOORE: Here.

22       MRS. BARGE-MILES: Trustee Marciette.

23       Trustee Perry.

24       Trustee Reed.

25       TRUSTEE REED: Present.

1 MRS. BARGE-MILES: Trustee Washington.

2 TRUSTEE WASHINGTON: Here.

3 MRS. BARGE-MILES: Trustee Woody.

4 TRUSTEE WOODY: Here.

5 MRS. BARGE-MILES: You have a quorum.

6 CHAIRMAN LAWSON: Thank you. At this  
7 point, Attorney Barge-Miles, did anyone sign up  
8 for public comment?

9 MRS. BARGE-MILES: Yes.

10 CHAIRMAN LAWSON: Okay. Just please  
11 remind our presenters of the three-minute time  
12 limit. And you are asked to call the first  
13 presenter.

14 MRS. BARGE-MILES: Dr. Carolyn Collins.

15 DR. COLLINS: Good morning.

16 ALL TRUSTEES: Good morning.

17 DR. COLLINS: To the Board of Trustees at  
18 the best university in the world; to  
19 Dr. Robinson, the best president of any  
20 institution of higher learning in the world; to  
21 all of the staff and to everyone that's in  
22 attendance, I'm going to sit down quickly, but  
23 I could not let you come to Tampa, is my home,  
24 and not say you're welcome.

25 It was my intent to have the mayor here,

1 but I decided you have enough business and I  
2 didn't want to call. She's around the corner  
3 and she would come if I called.

4 So on behalf of the mayor, our city  
5 officials, our school superintendents, I want  
6 to welcome you to Tampa.

7 I want to thank you for the discussions  
8 that I've heard over yesterday and today,  
9 meaningful discussions, in-depth discussions.

10 I want to do three things very quickly and  
11 two of them are going to be repetitive.

12 I want to first extend an invitation to  
13 you to family day at the capitol. It will be  
14 on February 6th, 2020. I started to give you  
15 the save the date fliers, but I'll send them to  
16 Mrs. Linda Barge-Miles, and have her send those  
17 out to you.

18 But we've already tied down a full day  
19 that we normally worked through Dr. Robinson  
20 for about 12 to 15 hours. He starts off with  
21 us early in the morning and I usually leave  
22 him, because I'm tired, and at 8:30 he's still  
23 going.

24 But it's going to be on February 6th,  
25 Thursday. We will stay on campus all day,

1 starting off with our visits after we leave  
2 the -- probably a faculty senate house that's  
3 renamed on the capitol grounds.

4 We will do our lunch this year in the old  
5 senate in the museum in the old capitol. And  
6 then we will have our reception on the 22nd  
7 floor at 6:00. So we'll be all day. We  
8 solicit your support, your prayers and your  
9 encouragement to spread the word.

10 Now I want to just say a couple things  
11 that is on my heart and I need to say it.

12 When it come down to athletics, I did ask  
13 two questions, and I want to thank the  
14 administrative team and Dr. Robinson for  
15 meeting with Colonel Clock in the executive  
16 committee.

17 And I asked a question that I get asked  
18 every first Monday. We've been talking about  
19 it for a few months. And we're just curious,  
20 and I know you indicated that you would get the  
21 answer to us.

22 But we want to know, when did the Board of  
23 Governors' stature change specifically to deal  
24 with the inability to use any kind of funding  
25 surrounding the auxillary funds with athletics?

1 In addition to that, if there was some  
2 updates and modifications to that policy, for  
3 us as an Alum that want to raise money and want  
4 to help, we just clearly need to know when was  
5 it updated and when did it become that  
6 restricted?

7 And the justification in me is, I stood in  
8 Sarasota in New College and I heard the  
9 comment, and I will not say where it came from,  
10 from one of the other state universities  
11 saying, why are they saying you can't use it,  
12 and this is what we use. And we happen to have  
13 a comptroller within our Alumni association  
14 that is retired from the State of Florida. And  
15 he said, that's the exact funds that we used.  
16 Somebody has made a mistake. So we just want  
17 clarity. That's all.

18 Why is it? When did it happen? And we  
19 need to know when did it go into a restricted  
20 mode that all universities had to be extremely  
21 strict with it?

22 Because if it was before it was placed on  
23 us, then we want to ask them to give us a  
24 little bit of relief. That's where we are.

25 I see your hand, and my time is up, so I

1 need to say, as I sit down and take my seat, we  
2 need a paradigm shield. We need to figure out  
3 how we sell different things, bring money in,  
4 how we recruit different, how we hire different  
5 and how we cut the expenses.

6 And I appreciate you guys doing that. So  
7 when we all join on February 6th at the state  
8 capitol for family day at the capitol, then  
9 we'll be knowing that we'll get other monies to  
10 do other great things for our great  
11 institution, that is the best institution in  
12 the world.

13 CHAIRMAN LAWSON: Thank you, Dr. Collins.

14 Do we have another person, Attorney  
15 Barge-Miles?

16 MRS. BARGE-MILES: We do. But before I do  
17 that I would like to note for the record that  
18 Trustees Dortch and Marciette have joined us.

19 CHAIRMAN LAWSON: Okay. Thank you.

20 MRS. BARGE-MILES: And our next speaker is  
21 Michael Reed.

22 MR. REED: Good morning, everybody.

23 ALL TRUSTEES: Good morning.

24 MR. REED: First out, I just wanted to  
25 thank you all for coming to Tampa. I could not

1 not come here and welcome you guys to my home  
2 town.

3 So I just wanted to thank you guys for  
4 considering coming here. And I'm going to have  
5 you guys consider coming back for a football  
6 game in November, too. I'm just throwing that  
7 out there.

8 But long story short, my main reason for  
9 coming here was to hear about our athletic  
10 department. And it really hurts me to think  
11 that we are budgeting for a \$2.3 million  
12 shortfall. That's essentially what you guys  
13 are agreeing to.

14 We have got to find some ways to increase  
15 our top lines, as opposed to looking to cut our  
16 expenses. So those of you who already know, I  
17 am one of the -- I hate to put a ribbon on  
18 myself -- but I'm one of the best ticket  
19 brokers in the State of Florida, much less,  
20 FAMU tickets.

21 So there's no one out here, that I know  
22 of, that sells more FAMU tickets than yours  
23 truly and my network of associates.

24 So I would like to sit down with whoever's  
25 over our Investing in Champions Program, sit

1 down with our boosters, and we need to sit down  
2 and look each other in the face, because  
3 everyone knows all that stuff that's floating  
4 out there on Facebook is not looking pretty  
5 right now.

6 We need to sit down in a room. We need to  
7 come up with some concrete plans to rescue this  
8 athletic department, because let's be honest,  
9 let's not kid ourselves, those were some very  
10 unsettling numbers, to just be nice about it.

11 Those numbers were unsettling. They're  
12 unsettling to me as a FAMU grad, knowing we've  
13 got 70, 80,000 people out here. We could be in  
14 the Sunbelt Conference with the fan base that  
15 we have.

16 We've got to come up with some kind of  
17 vehicles that's going to, I want to say,  
18 reignite the fire that used to be in our  
19 program. But I guess, like I say, sitting  
20 behind you -- because the young lady right  
21 there, she knew I was raising my hand when you  
22 were speaking. I was like, look. Wait. Hold  
23 on. Hold on.

24 You know, when I saw those numbers I was  
25 like how in the world. And I mean, Kelvin,



1 you're my classmate, bro. I can't -- I don't  
2 want you or Dr. Robinson to have to go to the  
3 Board of Governors and explain to them a  
4 \$2 million deficit coming out of the block.

5 So how can we -- honestly, how can we come  
6 together and generate revenue? Cut the  
7 expenses? Yeah, I call that. That's the  
8 poverty way of looking at things. We've got to  
9 look at this from a prosperity -- with a  
10 prosperity mindset.

11 We're the number one school. We're the  
12 school everybody wants to play, everybody wants  
13 to schedule. They know we come all over the  
14 country. We'll go anywhere to play.

15 But we've got to take care of home. We've  
16 got to take care of that stadium. Well, we've  
17 got to take care of all the stadiums, the  
18 baseball field, the track. We need to have one  
19 big comprehensive proposal to take care of  
20 everything.

21 I think we've got people -- \$1,380, they  
22 spend more than that in the moon during  
23 homecoming. They spend more than that going to  
24 Orlando. It's time for them -- it's time for  
25 us to put a proposal together to bring that

1 money home.

2 And like I say, I'm willing to volunteer  
3 my services, even though people know I'm called  
4 the conscious capitols. You know, I'm about  
5 dollars.

6 But it's time for FAMU to come up with  
7 some programs and some initiatives to let's --  
8 let's rescue our athletic department.

9 So with that, I just want to thank you all  
10 for coming back down here. And, again, with  
11 the Florida Classic, it's time to move that  
12 game out of Orlando. It's time to rotate it  
13 throughout the state.

14 We've got too many people who have missed  
15 out on 20 years of that game being in Orlando.  
16 People think I'm anti-Orlando. I'm not  
17 anti-Orlando. I'm pro FAMU.

18 For us to come out of here with less than  
19 a million dollars for even setting foot in any  
20 city, it's cruel.

21 CHAIRMAN LAWSON: Thanks Mike.

22 MR. REED: Thank you all.

23 CHAIRMAN LAWSON: So Attorney Barge-Miles,  
24 that's it for public comment?

25 MRS. BARGE-MILES: Yes.

1 CHAIRMAN LAWSON: Okay. Thank you, again,  
2 Mike.

3 Okay. At this point we move into the  
4 consent agenda. Can everyone hear me okay on  
5 the phone?

6 Okay. Trustees, is there anything that  
7 needs to be removed from the consent agenda?

8 The one big item obviously is the budget  
9 discussion that includes athletics.

10 We need to take that up via the full  
11 board, because we're amending the operating  
12 budget to reflect the preliminary decision we  
13 made in the committee.

14 Is there anything else that needs to be  
15 removed from the consent agenda?

16 TRUSTEE WASHINGTON: Chair Lawson, I would  
17 ask to remove the president's evaluation from  
18 the consent agenda. I just -- we, as the  
19 Governors' Committee, sort of moved it to be  
20 able to have a discussion with the full board.

21 So I just wanted to open that up for  
22 opportunity for the full board to speak on.

23 CHAIRMAN LAWSON: Thank you. So that item  
24 has been moved to the -- from the consent  
25 agenda to an open board item.

1       Okay. Are there any other items that need  
2       to be either moved or added to the consent  
3       agenda?

4       TRUSTEE MARCIETTE: Just a question.

5       CHAIRMAN LAWSON: Yes.

6       TRUSTEE MARCIETTE: The one with the  
7       president's goals in the committee meeting, you  
8       asked that that was reflecting the changes that  
9       we talked about yesterday. Is that still in?

10      TRUSTEE WASHINGTON: That would be the  
11      motion that we sent to the full board to be  
12      considered.

13      CHAIRMAN LAWSON: All right. Great.

14      So are there any other changes or  
15      additions? If not, for those on the phone, I  
16      want to share what is on the consent agenda,  
17      just so you know.

18      The Board of Trustees' self-assessment is  
19      on the consent agenda. The banking resolution,  
20      and the two naming opportunities. One for  
21      Althea Gibson for the tennis complex, and one  
22      for Polkinghorne Village. So those are the  
23      items that remain on the consent agenda.

24      May I have a motion on the consent agenda?

25      TRUSTEE MOORE: So moved.

1 TRUSTEE MARCIETTE: Second.

2 CHAIRMAN LAWSON: Motion made, properly  
3 seconded.

4 Are there any consent agenda items or are  
5 there any questions? If not, all those in  
6 favor of the consent agenda, please show by the  
7 proper sign of aye.

8 ALL TRUSTEES: Aye.

9 CHAIRMAN LAWSON: The motion carries.

10 Items removed from the consent agenda. So  
11 I'll just take these in the order in which they  
12 were removed. So not necessarily in order of  
13 importance.

14 But the operating budget that includes the  
15 amendments that we voted on for athletics, I'll  
16 open that up for any additional discussion.

17 If there's no other discussion, I'll also  
18 open that for a motion.

19 TRUSTEE WASHINGTON: I do want to make  
20 sure -- sorry. I'd like to be recognized. We  
21 did have a very good discussion. Thank you,  
22 all of you, for helping us with the numbers  
23 along the way.

24 I do want to make sure we still do  
25 consider -- we have a new interim CFO. I would

1 encourage him to go back and look with a fresh  
2 set of eyes to look at, dig a little deeper,  
3 are there any additional savings or things that  
4 we can do to shore up that budget. Because I  
5 would -- you know, keep in mind that there is  
6 still a deficit there.

7 So as close as we can get that to nothing,  
8 I would appreciate that.

9 CHAIRMAN LAWSON: And with that being  
10 said, we do have the monthly review internally  
11 and with the Board of Governors.

12 And I believe that with the team, but  
13 everyone is welcome to attend so that you have  
14 visibility.

15 But there's also a question about sharing  
16 the budget spreadsheet monthly, which we will  
17 do, as well, with the full board so everyone  
18 can see how we're tracking from month to month,  
19 if you're not able to attend those discussions.

20 MR. ROBINSON: The only thing on the  
21 budget, I don't know if you saw the e-mail  
22 regarding the conference.

23 TRUSTEE MOORE: Yeah. So I did get that.

24 CHAIRMAN LAWSON: Sure.

25 TRUSTEE MOORE: So the text was regarding

1 what was approved as preliminary budget of the  
2 10-4 and the board's action of 10.213 -- 10,  
3 213.

4 And I said, you know, when I talked to the  
5 staff just a moment ago, everybody that, when  
6 you start off with a preliminary budget, it's  
7 with the understanding that we are coming back  
8 at the school board meeting when we have our  
9 numbers more in line to adjust it and to true  
10 it up.

11 So what does that mean? That's now  
12 staff's responsibility to adjust it down.

13 But, yes, she did.

14 MR. ROBINSON: I wanted to make sure.

15 CHAIRMAN LAWSON: Trustee Woody?

16 TRUSTEE WOODY: I was going to move for  
17 approval.

18 TRUSTEE DORTCH: Second.

19 CHAIRMAN LAWSON: Motion made and properly  
20 second.

21 Are there any additional questions about  
22 the approval of the operating budget, including  
23 the revisions we made to the athletic budget?

24 All right. Motion made properly second,  
25 all those in favor please show by the proper

1 sign of aye.

2 ALL TRUSTEES: Aye.

3 CHAIRMAN LAWSON: Motion carries.

4 All right. The next item on the agenda is  
5 the discussion of the president's evaluation,  
6 slash, goals.

7 We had a good discussion led by Trustee  
8 Mills yesterday. We had the -- I don't know  
9 the proper term for this, but our matrix that  
10 shows the president's self-evaluation versus  
11 our individual evaluations. It's the  
12 color-coded document that I think all of you  
13 have.

14 So I'll open the floor up for any  
15 additional discussions or feedback coming out  
16 of yesterday's governor's discussion.

17 TRUSTEE MOORE: Mr. Chair?

18 CHAIRMAN LAWSON: Yes, ma'am. You're  
19 recognized.

20 TRUSTEE MOORE: I think certainly, and I  
21 don't want to put words in the mouth of my  
22 colleagues, but relative to where we are and  
23 looking at our system of controls and things  
24 that are underway or have happened, I would  
25 like to request that an action plan of sorts be



1 that we direct that from the president  
2 specifically tied to that conversation  
3 yesterday that talks about how we will move  
4 forward while not having a recurrence of these  
5 situations, specifically related to internal  
6 controls and also around financial.

7 And I would ask for a short window if  
8 someone would set it around 30 days.

9 CHAIRMAN LAWSON: Are you putting that in  
10 the form of a motion?

11 TRUSTEE MOORE: I would, if that's  
12 allowed.

13 CHAIRMAN LAWSON: It is.

14 TRUSTEE MOORE: I would like to put that  
15 forward.

16 MR. ROBINSON: Are you specifically  
17 talking to this issue at hand or more general?

18 TRUSTEE MOORE: More general in nature.  
19 Because I think there are other examples that,  
20 relative to the fiscal side of this and the  
21 oversight, that we can point to.

22 I think in looking at our system and  
23 saying, what is that. It's honestly a fresh  
24 look. We've got new team members, as well.

25 How will we ensure coordination and

1 oversight. And that moves us to a position of  
2 offense versus defense.

3 CHAIRMAN LAWSON: So you propose that as a  
4 -- I'm sorry. Trustee Cavazos.

5 TRUSTEE CAVAZOS: For clarification, is it  
6 the financial management you're referring to?

7 TRUSTEE MOORE: It's a combination, for  
8 me, individually. That's why I'm speaking for  
9 just my financial and organizational, I think  
10 it speaks to both. So, yeah.

11 TRUSTEE CARTER: I would second that  
12 motion.

13 CHAIRMAN LAWSON: I'm sorry. Trustee  
14 Carter, hold on for one second. There's a  
15 question on the table.

16 TRUSTEE CAVAZOS: Are we also talking  
17 about the work plan, as well? Because that was  
18 also highlighted as -- and that was not met. I  
19 don't know. I'm just trying to figure it out.

20 TRUSTEE WASHINGTON: I don't think that  
21 was part of it.

22 TRUSTEE CAVAZOS: That was not part of it?

23 CHAIRMAN LAWSON: I'll ask Trustee Moore  
24 to clarify.

25 TRUSTEE MOORE: I'm specifically speaking

1 enterprise-wise, so I thought that encompassing  
2 things of organizational and then, of course,  
3 finance.

4 TRUSTEE CAVAZOS: Okay.

5 TRUSTEE WOODY: It was meets, right?

6 TRUSTEE WASHINGTON: They're all taken.

7 MR. ROBINSON: Chairman, vice chair, we'll  
8 get with our team and put that together. And  
9 we will make sure we get the full meaning of  
10 what you intend.

11 CHAIRMAN LAWSON: So I just -- there was a  
12 great question that came up so I just want to  
13 clarify.

14 So if you flip over to the back page, it  
15 is our collective summary. So the summary is  
16 the president either met or exceeded in all  
17 categories; however, there was a request for  
18 additional discussion.

19 And during the phase of additional  
20 discussion, if there are other recommendations,  
21 then we can add onto this document.

22 So right now there is a motion that's been  
23 properly second on the floor to have a written  
24 plan that speaks to overall organizational  
25 management. Did I restate that motion

1 correctly?

2 TRUSTEE MOORE: With necessary controls.

3 Yes.

4 CHAIRMAN LAWSON: With necessary controls.

5 And that motion has been made and properly

6 seconded by Trustee Carter.

7 Are there any other questions or comments

8 on that motion? If not, all those in favor of

9 that motion, please say by a proper sign of

10 aye.

11 ALL TRUSTEES: Aye.

12 CHAIRMAN LAWSON: Just so we're clear, I

13 want to do a roll call on that one.

14 TRUSTEE DORTCH: Also, I think a timeline.

15 TRUSTEE MOORE: 30 days.

16 CHAIRMAN LAWSON: 30 days. So I don't

17 want to just assume that I heard enough ayes.

18 So this is an important one, so I want to just

19 --

20 TRUSTEE REED: Maybe before we go there.

21 CHAIRMAN LAWSON: Yes, sir.

22 TRUSTEE REED: Mr. Chair, if we could just

23 get a little more specifics on what the

24 expectation is from staff on that item, that

25 will be helpful.

1 TRUSTEE MOORE: The plan that speaks to  
2 the internal controls, specific to some  
3 instances that were identified in the form.  
4 Well, actually the form that we were just  
5 reviewing.

6 How we might be able to rectify that going  
7 forward in a systematic way. Because, again,  
8 just to point out an example would be, of  
9 course, the easiest one is with the recent, the  
10 financial area.

11 But systematically, how can we look at a  
12 system that's speaking and talking to one  
13 another so that we can capture that it's not  
14 just one area that's responsible for maybe the  
15 financing because there are enough people  
16 involved that these controls are happening from  
17 within and that we're able to self-identify our  
18 challenges and be able to move forward from  
19 those.

20 TRUSTEE WOODY: Mr. Chairman, on the  
21 self-assessment where he answered all those  
22 questions along with us, so you're talking  
23 about additional information other than --  
24 because there was 50 pages full.

25 TRUSTEE WASHINGTON: Talking about -- and

1 I don't want to speak for you. But I think  
2 she's speaking about like the actual controls  
3 that exist. And not only the plans and  
4 processes, but like can we do an audit of  
5 whether those plans and processes are actually  
6 being enforced and accountable.

7 Because I think we do a really good job on  
8 the front end of planning and creating the  
9 processes. I think, and as I mentioned  
10 yesterday, on the back end some of the  
11 follow-up and enforcement and accountability.

12 Do we have a structure of a -- and this might  
13 be going beyond even what you're thinking --  
14 but not only institutional controls, but who's  
15 responsible for those controls and what are the  
16 enforcements or what happens when those  
17 controls break down?

18 Because I think that would help us.  
19 Because it's sort of -- we've seen instances  
20 where controls have broken down and the process  
21 of enforcement seems -- I don't know that  
22 there's a process for that.

23 And so I'm not, you know, saying that what  
24 happened in the past is incorrect or not, but  
25 it's just sort of like, how do we make sure

1 that we are treating people fairly and have  
2 processes in place, but where people are  
3 accountable --

4 TRUSTEE WOODY: Mr. Chairman, I agree with  
5 the motion and the second. But I've got to be  
6 careful that we're not micromanaging.

7 TRUSTEE MOORE: No.

8 TRUSTEE WOODY: Just want to make sure.

9 TRUSTEE MOORE: The big picture. I don't  
10 want to know about any of the day-to-day. We  
11 just need, from my vantage point, the assurance  
12 as a board member and as a body that there are  
13 controls in place.

14 TRUSTEE DORTCH: Mrs. Chair, I think,  
15 because I'm confused on some of this stuff. I  
16 suggest that, again, that all of this is  
17 presented to you, that a vice chair and  
18 anything else, and you present a written letter  
19 or document, a memo, as to what we're asking  
20 for.

21 TRUSTEE MOORE: Sure.

22 TRUSTEE DORTCH: In fairness, we need to  
23 be specific.

24 TRUSTEE MOORE: Absolutely.

25 TRUSTEE DORTCH: And add a reasonable time

1 frame.

2 CHAIRMAN LAWSON: So let's do this. In  
3 following parliamentary procedure, the original  
4 motion is on the floor that's been seconded,  
5 right?

6 So we can either, A, offer an amendment to  
7 that motion or vote up or down on the current  
8 motion, right?

9 So I would -- well, I'm not going to offer  
10 it as a chair. But is there an amendment or  
11 would we like to vote?

12 TRUSTEE DORTCH: I move for amendment to  
13 the motion that says the concerns that we're  
14 voting on, or having voted on, will be given to  
15 the chair and in writing and then the chair  
16 will transmit to the president in writing the  
17 specifics of what we're asking for, and that  
18 you and the president work out -- the desire is  
19 30 days. But you and the president work out  
20 what is a reasonable expectation with school  
21 starting up soon and all, so we can get this,  
22 knowing we really need it by October.

23 But if you can do that, that would be a  
24 friendly amendment.

25 CHAIRMAN LAWSON: All right. So that's



1 the friendly amendment. Are you willing to  
2 accept a friendly amendment?

3 TRUSTEE MOORE: I accept it.

4 CHAIRMAN LAWSON: So is there a second to  
5 the friendly amendment?

6 TRUSTEE WOODY: Second.

7 CHAIRMAN LAWSON: Motion has been made.  
8 Friendly amendment has been accepted and  
9 second.

10 Are there any questions on the friendly  
11 amendment before we call it to vote?

12 All those in favor of the motion with the  
13 friendly amendment, please state by the proper  
14 sign of aye.

15 ALL TRUSTEES: Aye.

16 CHAIRMAN LAWSON: Now that motion carries.  
17 Thank you, Trustee Carter.

18 Is there any other discussion on the  
19 president's evaluation?

20 TRUSTEE WASHINGTON: No. I would like to  
21 just quickly. There are a lot of good things  
22 happening.

23 President Robinson, I think you've done a  
24 really good job of steering the ship,  
25 responding to adversity when it appears. I

1 just -- you know, I would be remiss if I didn't  
2 mention, you know, the concern around the  
3 operational and financial management this year  
4 and thinking about how we can support you  
5 moving forward.

6 So I think that's part of the reason for  
7 this, you know, this amendment. You know, that  
8 motion is to figure out how we can support you,  
9 how we can be transparent in this process, how  
10 we can be honest about our shortcomings to  
11 continue to rise.

12 Because I think a large part of the  
13 culture that we've been talking about, the  
14 culture of accountability, has been one to try  
15 and fix it.

16 And I think that we need to move from a  
17 fix-it culture to a let's be honest, let's  
18 figure out how deep the problem is, and then  
19 let's actually fix it.

20 So not fix it on margins. Let's fix it at  
21 the root. And so that's going to take a lot of  
22 tough decisions. It's going to take a lot of,  
23 you know, support.

24 I would like to know, and I'm sure the  
25 rest of us, how and where we can plug in to

1 support you and what those needs are. But  
2 we've got some, you know, great things, but  
3 we've got some challenges and, you know, it's  
4 going to require all of us working together to  
5 get there.

6 You know, so what you're seeing on this  
7 reflection is, I think, a lot of support from  
8 the board and a lot of support in your  
9 leadership. But we are all in recognition that  
10 there are some things that we've got to address  
11 and we've got to address them now. And we've  
12 got to address them from the group, not from  
13 the margin.

14 TRUSTEE WOODY: Mr. Chair, I will add to  
15 that to say, and I said this yesterday, about  
16 responsibility and accountability.

17 We're responsible and we're accountable,  
18 just like you are. We're a team. Whatever  
19 mistakes that's made, we have to own up to it.

20 And in leadership, and in my career,  
21 personal career, is that one boss told me when  
22 I had a team that reported to me, if I didn't  
23 know, I should have known.

24 So I can't divorce myself of the  
25 responsibility of what's going on. So we're

1 down here with you. Our reputation is here,  
2 along with you. And we want to make sure that  
3 not only you succeed, but also this great  
4 institution succeeds.

5 MR. ROBINSON: Thank you.

6 CHAIRMAN LAWSON: Mr. Marciette?

7 TRUSTEE MARCIETTE: I don't know if it  
8 crossed your mind or if you really pay  
9 attention that I'm social media heavy or  
10 anything like that. But when the report came  
11 out, you know, the general public or general  
12 sentiment from the students they go left, they  
13 go right and they don't really pay attention to  
14 the details or anything like that.

15 And I just want to let you know that  
16 honestly I haven't taken a public stance on  
17 this for obvious reasons, conflict of interest  
18 and stuff like that. You know, I'm not talking  
19 about stuff like that on public social media.

20 But, honestly, you haven't lost the  
21 student support. We wholeheartedly believe in  
22 your student leadership. And I will make it  
23 like -- I will make it like one of my missions  
24 or like -- not like, I will make it my mission  
25 to ensure that, you know, you have SGA support

1 and that we see highly, because there are great  
2 things going on in our institution that we  
3 don't highlight.

4 Oftentimes students focus on the negative  
5 things that are going on because they're not  
6 looking at the improvements that we've made.

7 When I came in as a freshman to, you know,  
8 walking out as a senior, I'm very comfortable.  
9 I'm actually really happy right now. The  
10 university is going good and I commend you for  
11 that.

12 CHAIRMAN LAWSON: Any other comments?

13 Yes, sir. I have Trustee Moore starting  
14 her presentation.

15 Trustee Carter and you are next.

16 TRUSTEE MOORE: I don't think it's quite a  
17 presentation. But no. No. And as they've all  
18 said, there are tremendous -- talking about the  
19 attraction this year, it's been amazing.

20 I mean, lots of great things. I think  
21 what we're collectively trying to do is to make  
22 sure that the momentum continues, because every  
23 time there's a bad, then you've got to rebuild  
24 again with some stakeholder group.

25 And I think, again, collectively that's

1 all of our responsibility to make sure that it  
2 keeps going. I acknowledge the leadership of  
3 Dr. Robinson, as well.

4 CHAIRMAN LAWSON: Thank you.

5 Trustee Carter, you're recognized.

6 TRUSTEE CARTER: Thank you, Mr. Chairman.

7 I just wanted to say as a board member  
8 who's been here before and who's here now,  
9 compared to where we were, Dr. Robinson has  
10 moved us by leaps and bounds. And I know on  
11 behalf of all the board members that we trust  
12 Dr. Robinson and we fully support him. And I  
13 just wanted to put that on the record,  
14 Mr. Chairman.

15 CHAIRMAN LAWSON: Thank you. Thank you,  
16 Trustee Carter.

17 Are there any other comments?

18 MR. ROBINSON: I just want to -- I  
19 can't -- I want to leave this out there. But I  
20 just want to tell you how much I appreciate  
21 your support of the FAMU University.

22 And anything that got done at FAMU wasn't  
23 done by me alone. I have a really outstanding  
24 team of individuals who are equally committed  
25 to the success of this institution, in

1 particular, our students.

2 So anything that happens at FAMU is  
3 because of the team approach. And I am proud  
4 of the people we have on that team. It gets  
5 better every day.

6 And so, you know, I would be remiss if I  
7 didn't share it with you. But I appreciate the  
8 comments.

9 I know I sit here at the helm, but good  
10 things that have happened, the great things  
11 that happen at FAMU are a collective effort  
12 with very smart, dedicated individuals who get  
13 up every day and who put 12-plus hours in.  
14 Thank you.

15 CHAIRMAN LAWSON: Thank you, everyone.

16 I'd just like to summarize before we close  
17 this item out and take a vote.

18 This evaluation document, I think as you  
19 read through the one hundred and --

20 TRUSTEE MARCIETTE: 75.

21 CHAIRMAN LAWSON: -- 75 pages. Thank you,  
22 Trustee Marciette. It is highly reflective of  
23 how, one, the president views his individual  
24 performance. But equally as important, highly  
25 reflective of how each individual person viewed

1 him in those respective categories.

2 So what I'll say in summary is again, this  
3 document now has to speak for itself with the  
4 number of meets and the number of exceeds.  
5 This is now being memorialized in our  
6 evaluation.

7 So to add to this, I would say there are a  
8 number of good things happening. We have some  
9 opportunities in the area that's been  
10 identified in the evaluation. I'd ask the  
11 president and the leadership team to pay keen  
12 focus on those.

13 But we did identify another area that we  
14 kind of talked around, and that is, the  
15 culture, the accountability and the depth in  
16 which that goes into the organization.

17 That's an organizational opportunity that  
18 I think the president's leadership team owns,  
19 and we own driving.

20 I love what Trustee Woody said in the fact  
21 that, whatever happens, good, bad or  
22 indifferent, we own it. We are the they.

23 When people start talking about the they,  
24 we are the they. We own it. It starts and  
25 stops here.



1 With that being said, I'm personally  
2 pleased at the direction that we're going. I  
3 see a lot more headroom ahead. We're building  
4 a good team. Let's continue that path. And I  
5 think more good days are ahead, but not without  
6 a lot of attention to detail and hard work.

7 So with that being said, I'd ask for a  
8 motion on the president's evaluation.

9 TRUSTEE MOORE: So moved.

10 TRUSTEE DORTCH: Second.

11 CHAIRMAN LAWSON: The motion is made,  
12 properly second.

13 Are there any additional questions?

14 If not, all those in favor please signal  
15 by signing aye and approval of the president's  
16 evaluation.

17 ALL TRUSTEES: Aye.

18 CHAIRMAN LAWSON: Motion carries. Thank  
19 you.

20 At this point I'd like to move into our  
21 last agenda item, which is an update on the  
22 athletic's audit.

23 And per Trustee Marciette. Like when you  
24 heard about this, you probably drew a number of  
25 conclusions. And we want to use today,

1 particularly for this board, to clarify any of  
2 those conclusions.

3 But one thing that I'll start off with  
4 before I pitch this over to Joe is, the audit  
5 came about via a Sunday afternoon discussion  
6 with Joe, Dr. Robinson and myself and we  
7 decided for -- to make sure we knew everything  
8 we needed to know, let's conduct an audit.

9 The State didn't require that. The Board  
10 of Governors didn't require that. No outside  
11 entity required that. We decided on the phone  
12 that this was the right thing to do.

13 And I know some people were a little  
14 confused over that and concerned that, wow, you  
15 guys were forced to do an audit and you found  
16 all these things.

17 We did find some things. And as opposed  
18 to me telling you what we found or Joe telling  
19 you what we found, we invited our partner from  
20 the audit firm to talk specifically about what  
21 we found.

22 So with that, Joe, I'll turn it to you for  
23 the introduction, please.

24 MR. MALESZEWSKI: Thank you, Chair.

25 Today we have with us from Carr Riggs &

1 Ingram, Brent Sparkman, who is the partner with  
2 Carr, Riggs.

3 We contracted with them on June 20th of  
4 this year to conduct a review of certain  
5 auxillary funds which were transferred to  
6 athletics.

7 We wanted to make sure we understood the  
8 nature and extent of transfers that might have  
9 been contrary to the Board of Governor's  
10 regulation requirements.

11 Brent works very closely with Brian  
12 McManual (phonetic) out of the Tallahassee  
13 office, as well. And they had a third member  
14 of their team who contributed to the work  
15 efforts.

16 By way of background, I think many of you  
17 will recall, my first day at FAMU was  
18 March 29th.

19 Less than a week later, in the conduct of  
20 routine audit follow-up work on athletics, we  
21 inquired about the use of auxillary funds for  
22 athletics.

23 The point of the inquiry was to ensure  
24 that we weren't continuing a practice that we  
25 were trying to resolve with an agreed-upon

1 repayment plan established in September of  
2 2016. So it was routine work to follow-up to  
3 ensure we were on track with that plan.

4 We received information in early May, one  
5 response indicating that there was no use of  
6 auxillary funds. And then a few days later a  
7 response indicated, yes, auxillary funds had  
8 continued to be used, contrary to the Board of  
9 Governor's regulations.

10 MRS. BARGE-MILES: Excuse me, Joe. If you  
11 could speaker louder. They're having a hard  
12 time hearing you.

13 MR. MALESZEWSKI: Okay. Thank you. So in  
14 early June President Robinson and I sat down.  
15 I briefed him on the continued use of auxillary  
16 funds. Immediately following that briefing,  
17 that information was shared with the Board  
18 through Chair Lawson.

19 And by the 20th of June we had a contract  
20 in place to undertake the audit work, which was  
21 concluded on August 5th.

22 So I just wanted to give a sense of the  
23 time frame and the events that led up to the  
24 investigative audit report.

25 So with that, I'll turn it over to Brent.

1 MR. SPARKMAN: Thank you. When I walked  
2 in, I heard a loud discussion about the news  
3 and stuff. But the biggest news I've seen so  
4 far is FAMU got a five-star recruit for tackle.  
5 That's pretty good stuff.

6 TRUSTEE REED: We'll take it.

7 MR. SPARKMAN: Me, too. I'm a  
8 Tallahassian, so I like to see -- I graduated  
9 from Florida State, but I'm a Tallahassian.  
10 So, you know, of course when I see FAMU, too.

11 I'm probably going to repeat a little bit  
12 of what Joe just went over as I go through some  
13 information I prepared for today.

14 But just to say it again, my name is Brent  
15 Sparkman. I'm a partner with the firm of Carr,  
16 Riggs & Ingram based out of our Tallahassee  
17 office. I am a CPA. Also, as it relates to  
18 this specific engagement, I am certified in  
19 financial forensics by the American Institute  
20 of CPAs.

21 As Joe mentioned, our firm was engaged on  
22 June 20th of this year to help FAMU determine  
23 the status of the auxillary fund repayment plan  
24 by university athletics, and investigate the  
25 existence of new improper fund transfers to the

1 University athletics for the period of July,  
2 2015 through our hire date, which was  
3 June 20th, '19. And then assist in validating  
4 the current balance due to auxillary from the  
5 university athletics as of June 20th, '19.

6 What I would like to do is just briefly  
7 go -- just go over a little bit more of the  
8 background of how we got here and then some  
9 current events of where -- this is how I became  
10 hired.

11 As you all are aware, in the State of  
12 Florida university athletics is required to be  
13 a self-supporting auxillary of the university,  
14 according to the Board of Governors' regulation  
15 9.013.

16 The Auditor General of the State of  
17 Florida did an operational audit and for fiscal  
18 year end of 2015 reported accumulated cash  
19 deficits of the athletic program of \$7,014,000,  
20 round numbers.

21 It was in September of 2016 that the then  
22 CFO Angel Pool (phonetic), made a presentation  
23 to the Board of Governor's audit compliance  
24 committee about a repayment plan as part of the  
25 ongoing corrective action plan of dealing with

1 the deficits in the athletic department.

2 The repayment plan of the \$7 million was  
3 structured over a 12-year period. It was to be  
4 repaid by athletics with some support from the  
5 foundation.

6 One key point of that presentation -- and  
7 we watched the presentation. There's a video  
8 recording of it -- was that the only specific  
9 control that was put in to place to prevent  
10 further auxillary transfers was the  
11 dual-approval for a transfer to be made by both  
12 the CFO and the president of the University.

13 That brings us kind of to the current  
14 state of affairs. As Mr. Maleszewski stated,  
15 in April he was brought onto the university as  
16 the new VP of FAMU's division of audit and  
17 compliance. We sometimes refer to that as  
18 internal audits. So if you hear me use that  
19 term, that's -- I'm talking about  
20 Mr. Maleszewski's division.

21 As he stated, as part of their routine  
22 internal audit work they made inquiries, his  
23 department made inquiries as to whether there  
24 had been any additional auxillary transfers to  
25 athletics.

1 It was on May 10th of this year that the  
2 then budget director responded that -- in  
3 writing -- that there had been no transfers of  
4 auxillary to university athletics.

5 Four days later on May 14th, the then CFO  
6 corrected that response and said, no, there  
7 has, in fact, been transfers to the university  
8 athletics.

9 Shortly after that response by the CFO  
10 provided to Mr. Maleszewski's office was an  
11 updated repayment schedule that totaled 9.2 --  
12 \$9,248,000 that disclosed the transfers, or  
13 additional transfers.

14 It was my feeling working with Mr.  
15 Maleszewski's team that that was a surprise.  
16 They didn't anticipate, first of all, there to  
17 be additional transfers. But they, I think,  
18 anticipated that the balance had decreased, not  
19 increased because a repayment plan was in place  
20 and some payments were to have been made at  
21 this point.

22 As a result of that, Mr. Maleszewski's  
23 office started to do further due diligence to  
24 investigate, hey, what's going on.

25 It was on June 7th through our review that



1 Mr. Maleszewski sat down and informed President  
2 Robinson of the situation. Shortly thereafter,  
3 President Robinson and Mr. Maleszewski  
4 discussed the matter with the then CFO, who  
5 very shortly after submitted her resignation.

6 Within a matter of days, the university  
7 controller and the then university controller  
8 and budget director were relieved of their  
9 duties.

10 The university, as Chair Lawson stated,  
11 made the determination that they needed to get  
12 an independent third party to come in and take  
13 a look.

14 And that's a key point, I think, that  
15 everybody needs to be aware of. This was a  
16 self-reporting or requested function by the  
17 university.

18 The university put out an RFP. My firm  
19 responded and we responded and we were engaged  
20 on June 20th, 2019.

21 And so to rehash it, Mr. Maleszewski did  
22 the timeline, the identification of these  
23 transfers was first noticed -- first identified  
24 on May 14th. Mr. Maleszewski informed  
25 President Robinson on June 7th. Our firm was

1 engaged 13 days later.

2 What I'm going to do is talk about the  
3 results of our findings. I'm going to use this  
4 schedule. This schedule is actually -- I  
5 believe it's Figure 1 in our report. It's no  
6 new information here. All I've done is  
7 highlighted some stuff and put some subtotals  
8 to make it easier to go over in this form.  
9 That's all.

10 As part of our investigative procedures we  
11 did request interviews of 10 persons. We were  
12 able to successfully interview seven of those  
13 10.

14 The former CFO, controller and budget  
15 director -- and we speak to this board in more  
16 detail -- just were not available. They had  
17 retained legal counsel. And in the time frame  
18 we had to get the report completed, we just  
19 weren't able to get that pulled together with  
20 them and their legal counsel.

21 So I'm going to use this table and go over  
22 the findings of our work. And I've got this  
23 color-coded -- it's a little hard to see here,  
24 but it's green, yellow and red, but not pink,  
25 but it looks pink.

1       The green, I'm going to use the green --  
2       can you scroll down on that? Okay. So the top  
3       number is the repayment plan payments, and  
4       that's actually a green. If you have a copy of  
5       the sheet, you can see it on there.

6       This is the repayment plan that was added  
7       to the corrective action plan in September of  
8       '16. This is part of the repayment plan. This  
9       is the total payments that had been made to  
10      date under the repayment plan -- under the  
11      repayment plan.

12      These were -- these were three scheduled  
13      payments, and the detail and dates of the  
14      payments made are in the detail there, that  
15      were consistent with the plan itself.

16      So the payments were made. These were  
17      payments that were made by the foundation to  
18      the university athletics.

19      Important piece of this is, not only were  
20      the payments made as scheduled, but  
21      additionally the funds were then allocated to  
22      the auxiliary units that the money originally  
23      came from.

24      The university had determined using an  
25      allocation basis of how to allocate the

1 repayment funds to the auxillary. And that had  
2 actually been done -- we were able to trace  
3 those dollars being moved within the system.

4 So that's a good thing.

5 The next little section I'm going to talk  
6 about the yellow and the red is that it was  
7 determined there were six transfers of  
8 auxillary funds made to athletics that were not  
9 in compliance with the Board of Governor's  
10 Regulation 9.013.

11 When you look at the schedule of detail  
12 here, there are four transactions that are the  
13 same. These were transfers of nine athletic  
14 concessions. That amount totaled \$453,763.

15 Through our work, we recognized that the  
16 university had relied upon, in hindsight now,  
17 an outdated Attorney General opinion that  
18 allowed the use of funds for things such as  
19 this.

20 It should be noted that in 2018 the  
21 Auditor General of Florida performed another  
22 operational audit and reported on it. It was  
23 for the fiscal year end of '17. It was  
24 reported in December of '18.

25 In that operational audit they know --

1 they brought to the attention this specific  
2 issue, and they specifically addressed the  
3 reliance the university had upon this outdated  
4 Attorney General opinion.

5 It was their feeling, their determination,  
6 that these funds weren't allowable. This  
7 opinion predated the Board of Governors. And  
8 that there was now regulations that superceded  
9 this opinion by the Attorney General of Florida  
10 and, therefore, these transfers are  
11 unallowable.

12 Key point to these transfers here, though,  
13 is these transfers were deemed allowable by the  
14 university based upon the reliance of this AG  
15 opinion, Attorney General opinion.

16 These four transfers did receive the  
17 proper approval of both the president of the  
18 University and the CFO. That was the control  
19 that was put in place that any transfers made  
20 would get the approval of the president and the  
21 CFO, and that was done. They thought it was  
22 fine.

23 When the university received the AG's  
24 report, the Auditor General -- be careful and  
25 don't confuse people AG, Auditor General or

1 Attorney General.

2 In this case the Auditor General's report.

3 The university received it where it said,

4 hey -- basically it said, hey, these transfers

5 are not allowed. You can't do this. You're

6 relying on an outdated Attorney General's

7 opinion.

8 We found no evidence of the university

9 making these type of transfers from that point

10 on. So the university changed their position

11 based upon receiving the Auditor General's

12 report that they're not allowed.

13 All right. The red funds. Auxillary

14 transfers. It was determined there were two

15 unallowable transfers from auxiliaries to

16 athletics and the total of those two transfers

17 was \$2,234,000. The dates of those details is

18 in line.

19 These, of course, were determined improper

20 under Board of Governors' Regulation 9.013.

21 Key point, we found no indication either of

22 these transfers was authorized by the president

23 of the University, as was required under the

24 payment plan presented in 2016.

25 We were however able to determine and find

1 authorization by the then CFO and controller.

2 Therefore, based upon the detail  
3 transactions here, the current balance due to  
4 auxiliaries from athletics is the \$8,946,899.

5 Now, I do want to bring up some key points  
6 specifically related to these -- more  
7 specifically related to these two transfers.

8 We noted in our report in a little more  
9 detail the divergence of the practice of the  
10 approval process between the concession fund,  
11 nonathletic concession fund transfers and these  
12 auxillary fund transfers.

13 The non-concession fund transfers were  
14 deemed okay, and the president's approval was  
15 obtained.

16 The auxillary fund transfers was clearly  
17 not allowed. It was clearly unallowable and we  
18 found no evidence that the president's  
19 authorization was obtained.

20 Additionally, in my interview with  
21 President Robinson, President Robinson stated,  
22 and I think I'm reading it exactly directly  
23 from my report here because I want to be  
24 careful.

25 He stated that he never provided

1 authorization of transfers. He was never  
2 requested to provide authorization of these  
3 transfers, nor were the existence of these  
4 transfers brought to his attention, prior to  
5 Mr. Maleszewski, in June of this year.

6 This brings up a point that we make in our  
7 report in several places, and I'm going to read  
8 directly from our report. It's just easier.

9 CRI notes that university management  
10 created several forums where employees could  
11 report the existence of transfers of auxillary  
12 funds to university athletics.

13 This included meetings where budget staff  
14 reports were presented. Veronica Mathis,  
15 budget director, to update management on the  
16 budget status and any identified gap in  
17 funding.

18 So there were -- the university leadership  
19 appears, and we talk about it in detail, to  
20 have worked to develop a culture of compliance  
21 and forums where things of this nature could be  
22 brought to the attention of the proper people  
23 in a timely manner. And it doesn't appear that  
24 had been done.

25 This is stated more directly in our



1 report, but we weren't specifically engaged to  
2 consider fraud; however, in the context of the  
3 procedures we did perform, we do.

4 We did not find any instances of fraud in  
5 what we -- in the procedures we performed, nor  
6 did we find anything that indicated individual  
7 personal gain as a result of these transfers.

8 You know, the caveat of that is, if  
9 additional procedures were performed there --  
10 maybe something would change. But, again, in  
11 the context of the procedures performed,  
12 nothing came to our attention in that case.

13 Anybody have any questions about this area  
14 at all? Yes, sir.

15 TRUSTEE MARCIETTE: One question. That  
16 fiscal year end balance, I must have missed it.  
17 Is that the new total with the 7 million that  
18 was originally owed, plus the 2 million that  
19 was found out?

20 MR. SPARKMAN: That's correct.

21 The second part of our work was to provide  
22 recommendations to consider the budgeting  
23 process, provide recommendations and  
24 improvement over controls.

25 We go into pretty good detail of this in

1 the report. And we had reviewed this with Mr.  
2 Maleszewski, his staff and some of the  
3 University leadership up to this point.

4 One of the key things we determined in the  
5 budget process was that university leadership  
6 was relying on a specific budget to actual in  
7 the projection report.

8 We are aware now, I believe there's been  
9 some changes -- and they still currently are.

10 And I believe there's been some changes to that  
11 through this process. I think internally  
12 they've made some changes to that reporting.

13 Our review of that -- of that particular  
14 report, we found numerous errors in the  
15 reports. Information wasn't accurate. It  
16 wasn't presented in a consistent manner. There  
17 wasn't transparency where the information was  
18 coming from or what the information was. That  
19 indicates that there's some weaknesses in the  
20 budgeting process, obviously.

21 We made -- we did make, as I said,  
22 specific recommendations how to improve the  
23 budget process.

24 I think one of the most -- I think maybe  
25 the most important part of that is that the

1 budget process really has got to be data  
2 driven. Basically, it needs to be based on  
3 some historical factual information and some  
4 substantive proof of projections.

5 You know, if we're going to -- let me say  
6 it a little differently. If we think we're  
7 going to raise X dollars, there's got to be  
8 some substance behind that.

9 TRUSTEE WOODY: Sir, may I ask a question?

10 MR. SPARKMAN: Yes, sir.

11 TRUSTEE WOODY: When -- and this goes back  
12 to I should have asked this question before.

13 In reference to when the regulation was  
14 changed from the Attorney General until the  
15 change by the Board of Governors.

16 MR. MALESZEWSKI: So I think I can address  
17 this. The question I think that we were trying  
18 to respond to is, when did the Board of  
19 Governors' Regulation 9.013 change?

20 TRUSTEE WOODY: Yes.

21 MR. MALESZEWSKI: So I went back to the  
22 Board of Governors. The regulations include in  
23 it a history of its authorization, much like a  
24 statute or something would.

25 And we saw that -- I believe it was back

1 in 2008 that had been updated. But when we  
2 went back to see the updates to it back in  
3 2008, none of the substantive requirements  
4 associated with athletics being a  
5 self-supporting auxiliary had been changed.

6 So I can do some additional research, but  
7 it doesn't appear that the requirement has  
8 changed since as far back as maybe 1986 under  
9 the Board of Regents regulation that when the  
10 Board of Governors was established got adopted  
11 into a Board of Governor's regulation.

12 So I will do some additional work to  
13 confirm that. But this looks like it's a  
14 longstanding requirement of both the Board of  
15 Governors and the Board of Regents prior to  
16 them.

17 The Attorney General opinion that was  
18 referenced for 1972, you know, predates the  
19 Board of Governor's creation and the existence  
20 of their regulation and was determined not to  
21 be applicable to this matter.

22 TRUSTEE WASHINGTON: So what is the  
23 Auditor General finding based on?

24 MR. MALESZEWSKI: The Auditor General base  
25 their finding on the use of auxiliary funds.

1 They said that the university -- so to be  
2 clear. There's two kinds of concession dollars  
3 we're talking about. Athletics-related  
4 concessions. Think of a game day event. We're  
5 going to have some concessions. Those are  
6 without question allowable to be used.

7 Then the university has other forms of  
8 concession and vending throughout the  
9 operations of the University. It's those  
10 concession dollars that's in question here.

11 The Auditor General acknowledged those as  
12 being a form of auxillary funds that are  
13 unallowable to be used for athletics.

14 TRUSTEE WASHINGTON: So it's their  
15 interpretation of the regulation.

16 MR. MALESZEWSKI: Yes.

17 TRUSTEE WASHINGTON: Okay.

18 TRUSTEE WOODY: So what you're saying,  
19 that's an honest mistake based on --

20 MR. MALESZEWSKI: Yes. I think staff at  
21 the university misunderstood the nature and  
22 character of those dollars. They relied upon,  
23 you know, in retrospect we would say a  
24 misapplication of the Attorney General opinion  
25 to advise the president on the allowability for

1 the use of those funds.

2 TRUSTEE WASHINGTON: Is there a way to  
3 confirm that this -- because it's the Auditor  
4 General's interpretation of said findings, is  
5 there a way to ensure that that is being found  
6 systemically across institutions and it's just  
7 not an individual interpretation concern?

8 I'm assuming anything you apply is applied  
9 blanketly. But if it is an interpretation,  
10 there could be some miscommunication.

11 MR. MALESZEWSKI: So we certainly could  
12 inquire of the Auditor General and their legal  
13 counsel about the application of that  
14 requirement consistently in their audit work  
15 across state universities.

16 My observation is, from having worked at  
17 the Board of Governors, I see this pattern.  
18 When the Auditor General finds an issue of one  
19 university, it becomes the scope of their work  
20 in every other state university. So hence,  
21 you'll see a number of textbook affordability  
22 issues.

23 So we were identified as having this issue  
24 at Florida A&M University. I feel confident,  
25 although I will go back and confirm, that that

1 same issue was within the scope of the  
2 operational audits performed at other state  
3 universities.

4 TRUSTEE WASHINGTON: Thank you.

5 TRUSTEE WOODY: And in the area of  
6 litigation, another question I have just popped  
7 into my head. Well, we had a previous auditor  
8 and it was never -- this was never caught.

9 So apparently what you're saying may --  
10 factually there's truth to that.

11 MR. MALESZEWSKI: So referencing my  
12 predecessor in my position. So one of the  
13 practices of the internal audit functions at  
14 state universities and state agencies, as a  
15 whole, is the consent that we're pretty small  
16 and that we have to rely upon the work of other  
17 auditors, like the Legislative auditors, when  
18 we establish our work plan.

19 So we want to make sure we don't duplicate  
20 their efforts. So it's common, if it's clearly  
21 subject to Auditor General audit or an external  
22 certified public accountant's audit and it's a  
23 financial matter, or they do a T-audit of the  
24 University. We would adapt our work plan to  
25 not duplicate their efforts.

1       So I think that probably weighed into the  
2 decision-making a great deal, what areas that  
3 we looked into and how deep they looked.

4       CHAIRMAN LAWSON: I think that's a really  
5 critical point in understanding of 453, as I  
6 understand it correctly, to Trustee Woody's  
7 point.

8       It really appears that advice was given by  
9 your predecessor that may not have been  
10 100 percent accurate.

11       MR. MALESZEWSKI: So when the Auditor  
12 General identified this issue in their  
13 December, 2018 report, the university had an  
14 official university response.

15       My understanding is that response was  
16 prepared by university staff and shared with  
17 the president before being approved and  
18 submitted to the Auditor General.

19       So I believe the president relied heavily  
20 on his vice president who had responsibilities  
21 in these areas. That would typically be the  
22 vice president for audit and compliance. And  
23 the vice president for finance and  
24 administration and CFO.

25       TRUSTEE WOODY: Thank you.



1 MR. SPARKMAN: Just to follow up to the  
2 AG. The auditor did reference that response  
3 that you're speaking of.

4 You know, our position was that the  
5 president made a decision that was consistent  
6 with the determination of the University's  
7 approach versus making a decision that was  
8 inconsistent.

9 So at the time it wasn't a mistake at the  
10 time. Hindsight, we can look back now and say,  
11 okay, that was determined not to be correct.

12 TRUSTEE WOODY: Okay.

13 MR. SPARKMAN: So that's how we approached  
14 that.

15 TRUSTEE WOODY: Thank you.

16 MR. SPARKMAN: We made -- we did -- part  
17 of our engagement was to make some  
18 recommendations on improvement of controls in  
19 the report. And we've gone over this with Mr.  
20 Maleszewski and his team that some very  
21 specific items for controls, those include  
22 automated controls and manual controls.

23 I know that some of those things have  
24 already been implemented, or are in the process  
25 of being implemented as we speak.

1 But the one thing that we all have to  
2 understand -- or we all know in this room is  
3 that everything's changed and the world is  
4 changing quickly. Technology is changing  
5 quickly. The university's changing and growing  
6 and evolving.

7 And these controls are something that have  
8 to be continuously monitored, reviewed and  
9 looked at. And Madam Trustee was speaking to  
10 some of that earlier, I think, when I walked  
11 in.

12 And so that's part of the recommendations  
13 and the challenges is continuously monitor the  
14 effectiveness of your controls in place.

15 That's all I've got. In closing, though,  
16 I wanted to let the board know, we had complete  
17 cooperation from the leadership, complete  
18 access to the leadership of the University.

19 I appreciate Mr. Maleszewski, his staff  
20 and his team. Their assistance was really,  
21 really helpful in getting -- meeting the  
22 timeline to get this work completed. You seem  
23 to have an exceptional team.

24 MR. MALESZEWSKI: Thank you.

25 MR. SPARKMAN: Thank you all.

1 CHAIRMAN LAWSON: And I wanted to just  
2 state something, and it's not to be critical of  
3 the other state institutions by any stretch,  
4 because we partner with them.

5 But as they have worked through their  
6 issues, there have been challenges with  
7 availability of staff and former leadership to  
8 answer questions. We did not pose that issue  
9 to the audit firm on this. All of us, myself  
10 included, went through an extensive interview  
11 with the audit firm to provide them background  
12 and data on their issue.

13 But I felt it was really incumbent upon us  
14 to have the actual third-party firm come in and  
15 review this with us today so we could ask any  
16 clarifying questions.

17 Because as you look at this at first  
18 glance, some of it is not well-understood. It  
19 feels like the State's making us do this. Oh,  
20 my God, we've got more issues.

21 These are issues that we were already  
22 aware of, but we needed someone else to really  
23 come in and validate to make sure we knew  
24 everything that we needed to know, and this was  
25 self-imposed.

1       The Board of Governors or the State, the  
2       Governor, no one asked us to do this. I just  
3       think we have to make sure we are delivering  
4       the appropriate message outward when people ask  
5       the question, because people that aren't as  
6       close to this as we are, don't know. And  
7       they're curious. They want to know.

8       Any other questions at all? Yes, Trustee  
9       Washington.

10       TRUSTEE WASHINGTON: One thing you just  
11       brought up made me think about some of the  
12       challenges with the other institutions.

13       There are still some individuals who were  
14       missing, I think, part of the story. And my  
15       question is, is there an attempt to grab that  
16       or how do we balance what information we have  
17       with the information of key individuals that  
18       might clearly be missing?

19       CHAIRMAN LAWSON: I'll ask Mrs. Wallace to  
20       comment. But my layman's assumption is if  
21       those guys don't cooperate, there's nothing we  
22       can do.

23       MRS. WALLACE: At this point I will say  
24       that I can't speak on that question, for  
25       various reasons.

1 I can maybe address it offline, but I  
2 can't say that in front of this board.

3 TRUSTEE DORTCH: Mr. Chair, based on the  
4 part of his finding there was no improprieties,  
5 I think, was enough to close the books on this  
6 side for information.

7 And the only thing that's important is the  
8 letter and we've taken the necessary steps  
9 based on the results of the auditor's letter.

10 And that being done, I think those are the main  
11 things for us.

12 CHAIRMAN LAWSON: And as for our  
13 information, the same presentation will be  
14 shared with the Board of Governors at the end  
15 of the month, and he will represent us in the  
16 audit discussions.

17 Joe and I will be there, along with the  
18 CFO to talk the financials.

19 MR. ROBINSON: I will be there.

20 CHAIRMAN LAWSON: As always. But we felt  
21 that it was even important for the Board of  
22 Governors to hear from the third party, as  
23 well. His team did the research. They did the  
24 work. They stand on their own reputation,  
25 independent of us. So we thought that as

1 important for them to hear, you know, from  
2 them.

3 Yes, Joe?

4 MR. MALESZEWSKI: So part of the  
5 conversation has been around what is the  
6 response of the administration to the report  
7 that's been received.

8 And I think the administration began  
9 working on conceiving, developing and  
10 implementing information technology controls  
11 that we hope we can put into place to prevent  
12 the transfer of auxiliary dollars into  
13 athletics without an explicit action of the  
14 president to approve it within the system.

15 So the design and development of those  
16 controls has been underway. They have been in  
17 place in a couple different iterations up to  
18 this time. And we are working very closely  
19 with our partners in IT and the controller's  
20 office to make sure those controls are  
21 developed, in place and tested. I think that's  
22 a big -- an important part of this.

23 But so as not to fully rely on those  
24 controls until they're fully tested and vetted,  
25 we've gone back and looked at all transactions

1 since the conclusion of the firm's work until  
2 this week and have validated that no additional  
3 transfers of auxillary dollars have occurred to  
4 athletics that would be improper.

5 And we intend to continue that type of  
6 periodic review as a detective control to make  
7 sure that these transfers don't occur.

8 We hope to have the controls to prevent  
9 it. But at least for some period of time to  
10 continue this monitoring effort to validate  
11 after the fact they didn't occur, as well.

12 So I think that's one of the important  
13 parts. I think the next piece the university  
14 has to take up and address is, we had a  
15 \$7 million liability to auxiliaries, which we  
16 had paid down approximately \$750,000 towards,  
17 expecting we owed about, you know, just over  
18 6 million. And the new figure now is an  
19 8.9 million liability.

20 So how will the university take up and  
21 address that? And I think that's something  
22 we're challenged to think about and find a plan  
23 that is -- a plan that's workable and doable to  
24 address such a large liability.

25 TRUSTEE DORTCH: The three of you, I think

1 we should commend the three of you for moving  
2 as swiftly as you did.

3 Joe, you and the chair and the president,  
4 I mean, you did not hesitate. And so that  
5 shows the leadership team that everything is  
6 working there. So I think we should commend  
7 the three of you for moving on this and the  
8 swiftness of the firm.

9 While this is really terrible and bad, the  
10 only bright spot in this is that we're paying  
11 ourselves back and we're not having to pay  
12 somebody externally. That's the only good side  
13 from the auxillary funds it still comes back to  
14 the university, with regulations we've got to  
15 clean it up in the system.

16 So otherwise, there will be money going  
17 out the door.

18 TRUSTEE MOORE: Mr. Chairman, I think just  
19 to add, not a question for the group, but to  
20 point out. I thing to point out I think with  
21 Richard Schweigert's leadership and working  
22 with collaboration in working with Joe we'll be  
23 able to make additional headway.

24 CHAIRMAN LAWSON: And as always, you know,  
25 you're hearing it from this team here. But I



1 would also state to the board members, if you  
2 have additional deeper questions, reach out to  
3 Joe directly and have a one-on-one  
4 conversation, as well, for your own edification  
5 and to feel, you know, comfortable about what  
6 we discussed.

7 I think it was important to have our audit  
8 partner here who did a great job. Thank you  
9 for clarifying.

10 Because a lot of people out there need to  
11 know and want to know -- you know, they want to  
12 know the facts.

13 So this has been good. So team, at this  
14 point, is there any other business to come  
15 before the board?

16 TRUSTEE WASHINGTON: On the updated  
17 repayment plan, what's the timeline for  
18 developing that; do we know? I mean, I'm  
19 assuming you all signed it.

20 MR. SCHWEIGERT: Mr. Maleszewski, Mr.  
21 Chair and board members, before we answer that  
22 question, I'd like 30 days to look into that  
23 and really be thoughtful about that.

24 CHAIRMAN LAWSON: And we, in addition to  
25 that, we need to have some conversations with

1 Tim, who's our audit chair at the Board of  
2 Governors.

3 Because one number is 7, that's the number  
4 that they've been working with. Now that  
5 number's changed, right. So I don't want to  
6 show up at the end of the month with a  
7 different number without having had some  
8 pre-dialogue around how we managed that. So  
9 that's the next step.

10 TRUSTEE WASHINGTON: Well, that's why I  
11 wanted to -- I mean, I'm assuming when you go  
12 talk to Tim he's going to say, well, what's  
13 next.

14 CHAIRMAN LAWSON: Yeah. When I say Tim,  
15 you know, for everybody listening, Governor Tim  
16 Sario is the Chair of the Board of Governors  
17 audit and compliance committee and we need to  
18 go back and resurface this issue with him as we  
19 did with Allen Levine when he was the original  
20 Chair, and then later with Wendy Lane.

21 But we need to have this conversation with  
22 Tim and just kind of work through, you know,  
23 how we deal with the incremental piece that's  
24 been added on.

25 So good question. And thank you for

1 keeping us on track.

2 Yes, sir.

3 TRUSTEE WOODY: Also, you all are going to  
4 continue meeting on a regular basis.

5 CHAIRMAN LAWSON: Continue monthly  
6 meetings. And again, everyone -- we notice the  
7 meetings, so everyone's invited in to the  
8 monthly meeting.

9 We have our internal monthly meeting.  
10 Then we have a monthly meeting with the Board  
11 of Governors. So if anybody wants to sit in on  
12 that.

13 A couple trustees have sat in on those  
14 over time, if I'm not mistaken. So you're  
15 always invited.

16 Is there any other business or any other  
17 questions before the board at this point?

18 TRUSTEE DORTCH: Will we adjourn?

19 CHAIRMAN LAWSON: Thank you for your  
20 attendance this week. The board meeting is  
21 adjourned.

22 ADJOURNED.

23

24

25

1 STATE OF FLORIDA )

2 COUNTY OF HILLSBOROUGH )

3

4 I, Dana L. Stockton, Registered Professional  
5 Reporter, certify that I was authorized to and did  
6 stenographically report the foregoing proceedings,  
7 and that the transcript is a true and complete  
8 record of my stenographic notes.

9

10 I FURTHER CERTIFY that I am not a relative,  
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13 parties' attorney or counsel connected with the  
14 action, nor am I financially interested in this  
15 action.

16

17 Dated this 23rd day of August, 2019.

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22 DANA L. STOCKTON, RPR

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