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April 27, 2016

CHANCELLOR KATEHI

Dear Linda,

I am writing to inform you that I am placing you on paid administrative leave, effective immediately. This leave will be for a period of 90 days, unless otherwise extended upon approval by The Regents.

An independent investigator will be appointed to review allegations concerning whether there have been serious violations of University policy. The investigation will be completed as expeditiously as possible, but before the fall of the 2016-17 academic year. While I previously have shared with you the issues that underlie this investigation in our meeting on April 25, 2016, I want to again reiterate what those matters entail.

First, questions have been raised about the employment of some members of your family, including whether employment actions related to your daughter-in-law and son violate University conflict-of-interest policies and requirements related to the employment of near relatives. See Personnel Policies for Staff Members, Policies 21 and 82; Academic Personnel Manual, Policy 520; Business and Finance Bulletin G-39, Conflict of Interest Compendium. Your daughter-in-law, who directly reports to one of your direct reports, has received promotions and salary increases over a two-and-a-half year period that have increased her pay by over \$50,000 and have resulted in several title changes. During that same period, you put forward a pay increase of over 20% and a title change for your daughter-in-law's supervisor.

More recently, it appears not only that the academic program in which your son holds a paid research position was moved into the same department in which your daughter-in-law is employed, but also that the program was placed under her direct supervision. It does not appear that appropriate steps were taken to address, document or obtain approval for the fact that your son now reported to your daughter-in-law, who, in turn, was supervised by one of your direct reports.

The independent investigation also will determine whether the employment status of your daughter-in-law with respect to supervising the research center that employed your son violated requirements regarding the proper use of Student Service Fee revenue. See Regents Policy 3101 – University of California Student Fee Policy and implementing guidelines. You have verbally assured me that all matters relating to the employment of your husband, son and daughter-in-law have been consistent with policies and procedures, but documents and other information appear contrary to that assurance. Thus, it is important to have an independent and transparent accounting of that matter.


Second, there are concerns regarding whether you have made material misstatements regarding your role in the social media contracts. Despite public statements to members of the media, as well as to me, that you were not aware of or involved with these particular contracts, documents prepared in response to a Public Records Act request indicate multiple interactions with one of the vendors and efforts to set up meetings with the other. Misrepresentations made in the course and scope of employment raise concerns about whether such statements are consistent with the University's Standards of Ethical Conduct. See <http://www.ucop.edu/ethics-compliance-audit-services/compliance/standards-of-ethical-conduct.html#purpose>.

Finally, a complaint has been made under the Whistleblower Policy that certain student fee revenues were misused by the campus specifically by being directed to unapproved instructional purposes. Again, this would constitute a serious violation of University policy. See Regents Policies 3101, 3102 and related requirements.

In light of the foregoing, I have determined that it is in the best interest of the campus and the integrity of the investigation to place you on leave pending the investigative outcome. While you are on leave, you will not have any day-to-day responsibility for the running of the campus, and I will recommend to the Regents that they appoint an acting Chancellor during your leave.

I am deeply disappointed to have to take this action. As I said when I defended you after you accepted the DeVry Board position, another violation of University policy, you have done some great work for UC Davis. Given the accumulation of matters that require investigation, however, it is both necessary and appropriate to address these matters in a fair, independent, and transparent manner. Pursuant to an existing delegation of authority, the Provost will be appointed acting Chancellor. I expect you to provide him with your full support as he takes on this role.

Yours very truly,

A handwritten signature in blue ink that reads "Janet Napolitano". The signature is written in a cursive, flowing style.

Janet Napolitano
President