

## UNIVERSITY OF CALIFORNIA

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IN CONFIDENCE

## THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

The independent investigation into UC Davis Chancellor Linda Katehi's conduct, candor, and judgment is now complete, and the evidence shows numerous instances where the chancellor exercised poor judgment and where she was not candid with me, other University leaders, or with the public. Regrettably, the investigation found multiple violations of University policy, most important among them the University's standards of ethical conduct.

The University of California depends on its senior leaders to exercise sound judgment, to be forthright, and to set an example by maintaining the highest standards of behavior. As described in the investigative report, Chancellor Katehi has engaged in a pattern of misrepresentations regarding matters of concern to University leadership, the campus, and the public; has repeatedly exercised poor judgment when confronting challenges; has consistently disregarded the impact of her actions on the campus and the University as a whole; and has failed to mitigate troubling management practices.

[REDACTED]

I. **Events Leading to the Decision to Place Chancellor Katehi on Leave and Investigate Her Conduct**

Earlier this year, an accumulation of mishandled issues had raised significant questions about Chancellor Katehi's judgment and credibility and caused many to doubt whether she could effectively lead the Davis campus. First, she accepted a paid position on the board of DeVry University without the required approval, a position from which she later resigned, but this generated public attention to her well-compensated work on the John Wiley & Sons board. Student protestors occupied the administration building for weeks. Then information surfaced about campus contracts with social media consultants that led to public concern that the campus was attempting to "scrub the Internet" of negative stories about police pepper spraying student

<sup>1</sup> This letter relates only to Linda Katehi's role as chancellor. It does not address her position as a tenured faculty member at UC Davis.

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protesters in 2011. Chancellor Katehi said she knew nothing about the contracts. She said that her communications team was responsible. Concerns were then raised about aspects of the employment of Chancellor Katehi's family members.

Public criticism of a leader is to be expected, and our chancellors are too often the targets of unfair blame and unfounded complaints. But the uniquely intense, critical public scrutiny of Chancellor Katehi's leadership has become a distraction from the important work of the campus and the University as a whole—a distraction that could have been avoided through the exercise of sound judgment and simple honesty when the original story broke. At that time, the Office of the President committed significant resources to support Chancellor Katehi and try to right the ship. It was during this period, while responding to public and legislative concerns, that we learned she had misled the public, the press, and this institution.

In a decentralized institution the size of the University of California, it is essential that the Office of the President and the Regents have the basic trust that campus leadership will share important information about campus operations and will exercise good judgment in pursuit of the University's mission. It is neither desirable nor possible to independently verify all representations a chancellor makes. And if there are questions whether a chancellor is being candid about certain critical matters, such as campus communications activities, it becomes impossible to trust their representations about other critical issues, such as the state of campus finances. These principles are codified in the UC Standards of Ethical Conduct, adopted by the Regents in 2005, which require that all University employees, including chancellors, "conduct themselves ethically, honestly and with integrity in all dealings" and "exercise sound judgment and serve the best interests of the institution and the community."<sup>2</sup> Transparency and accountability are especially important at a public institution.

Despite my initial defense of Chancellor Katehi, by April 2016 it became apparent that she had not been candid in her representations to me nor to the public about key facts. For this reason, and after consultation with Board leadership, I met with Chancellor Katehi in private and encouraged her to resign as chancellor for the good of UC Davis and the University as a whole. My office offered to work with her to transition to a position as a faculty member. We agreed that neither party would discuss the matter publicly or with external parties while we worked on a mutually agreeable transition plan. The day after we met, Chancellor Katehi's attorney contacted my office and agreed to meet in a few days to make arrangements for Chancellor Katehi's resignation from her administration position and transition back to the faculty. Her attorney also agreed to keep matters confidential so that a graceful exit could be accomplished. Despite these clear understandings, Chancellor Katehi called Davis and Sacramento community leaders and issued an email to UC Davis leadership proclaiming her intention to remain as the chancellor.

In these circumstances, the University would have been well within its rights to immediately terminate Chancellor Katehi from her at-will role as chancellor. Yet, despite no legal obligation to do so and in an effort to be fair and transparent, I placed her on administrative leave. Former United States Attorney Melinda Haag of the well-respected law firm of Orrick, Herrington & Sutcliffe was retained to fully investigate a number of issues. I believed an

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<sup>2</sup> UC Standards of Ethical Conduct, available at <http://www.ucop.edu/ethics-compliance-audit-services/compliance/standards-of-ethical-conduct.html>.



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independent investigation would provide Chancellor Katehi a full and fair opportunity to address the issues at stake. As detailed below, the independent investigation confirmed my existing concerns and identified new ones. [REDACTED]

## **II. The Investigation Confirms Serious Concerns with Chancellor Katehi's Candor, Judgment, and Management**

### **A. The Investigation Demonstrates that Chancellor Katehi Has Repeatedly Misled UC Leadership, the Davis Campus, and the Public**

The investigation has demonstrated that Chancellor Katehi repeatedly misled UC leadership, the UC Davis community, and the public about matters that would cast her in a negative light. This is especially evident in relation to the campus's hiring of outside firms to handle social media, where investigators found that the chancellor exhibited a lack of candor about personally initiating these engagements and about her involvement once they were underway. Contrary to her repeated private and public statements, the social media firms were hired primarily to enhance her personal reputation and did involve efforts to rewrite or remove negative online content about her. This behavior extended to the chancellor's handling of her outside professional activities, including her service on the DeVry University board and several other boards. The report details how, when these matters morphed into public and media controversies, the chancellor would regularly reaffirm positions she knew to be false, in an effort to deflect blame or avoid accountability for policy violations or errors in judgment. This manner of engaging with UC leadership, the Davis campus, and the public is unbefitting of a leader of one of the nation's top public research universities and, as the investigator concluded, violates University policy related to ethical conduct.

- i. Chancellor Katehi was not forthright about virtually every aspect of the social media engagements

Following a *Sacramento Bee* story on April 13, 2016 that revealed the existence of two UC Davis contracts for social media services, Chancellor Katehi made several misrepresentations to the public and to me about her personal role in those engagements, about whether they focused on improving the campus's reputation or her own, and about whether they were intended to "scrub" the Internet of negative references about her or about the campus. With respect to each of these three areas, the investigative report concludes that Chancellor Katehi made material misstatements.

- a. *Contrary to Chancellor Katehi's Claims, She Was Deeply Involved with the Social Media Contracts*

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Chancellor Katehi has insisted she had nothing to do with hiring the two outside social media firms identified in the *Sacramento Bee* that soon incited harsh critiques of UC Davis and its communication efforts.<sup>3</sup> However, the investigative report found that Chancellor Katehi was directly involved in hiring and continued to work with not just the two firms the *Bee* identified, namely, Nevins & Associates and IDMLOCO, but a third firm – Purple Strategies – as well. Before the investigation and despite the ongoing press criticism of the contracts with the first two social media firms, the chancellor did not reveal the third Purple Strategies contract to me or to my office.

The investigation cited several media interviews in which the chancellor maintained she had no involvement in, nor knowledge about, UC Davis agreements with outside social media firms. In a meeting with the *Sacramento Bee* editorial board on April 21, 2016, Chancellor Katehi said she did not know how the first consultant, Nevins & Associates, came to be known to the campus.<sup>4</sup> The *Chronicle of Higher Education* published an interview later that day in which the chancellor explained that the contracts with Nevins and the second consultant, IDMLOCO, “came out of the communications department” and that she “was not involved in it.”<sup>5</sup> In an interview with the *Davis Enterprise*, the chancellor implied she did not know anything at all about social media contracts.<sup>6</sup> The investigative report also describes two conversations Chancellor Katehi had with me during which she stated that she had nothing to do with the social media contracts and gave the impression that she knew nothing about them.<sup>7</sup> Although Chancellor Katehi disputes that she made such statements to me, the report notes that my “description of Chancellor Katehi’s statements is generally consistent with what the chancellor said to the media.”<sup>8</sup>

Chancellor Katehi’s representations about these contracts were false. The investigation identifies at least six witnesses and at least 13 exhibits that contradict Chancellor Katehi’s assertions about her involvement. It concludes that she was deeply involved in the Nevins & Associates contract. “In reality, Chancellor Katehi initiated UC Davis’ relationship with Nevins & Associates by unilaterally contacting an executive recruiter to find a social media consultant to help repair reputational damage caused by the 2011 pepper spray incident,”<sup>9</sup> the report

<sup>3</sup> Public condemnation of UC Davis’s communications practices was harsh and wide-ranging. See, for example, “U.C. Davis Learns Downside of Trying to Scrub Search Results,” *New York Times* (Apr. 16, 2016); “Calls for UC Davis chancellor’s ouster grow amid Internet scrubbing controversy,” *Los Angeles Times* (Apr. 6, 2016); “How UC Davis Tried to Scrub Its Abuse of Students From the Web,” *The Atlantic* (Apr. 15, 2016); “UC Davis spent \$175,000 but couldn’t save its online reputation. That matters for all of us,” *Vox* (Apr. 15, 2016); “UC Davis muddles messages it paid to have massaged,” *Sacramento Bee* (Apr. 16, 2016); “UC Davis gets caught in a PR coverup,” *San Francisco Chronicle* (Apr. 14, 2016).

<sup>4</sup> Investigation Report, Page 43.

<sup>5</sup> Investigation Report, Page 43.

<sup>6</sup> Investigation Report, Page 43-44.

<sup>7</sup> Investigation Report, Page 44.

<sup>8</sup> Investigation Report, Page 44.

<sup>9</sup> In November of 2011, UC Davis police pepper sprayed student demonstrators who, as part of the Occupy movement, sat in the quad on campus, refusing to leave. The incident was caught on video that was later seen around the world, focusing intensely negative attention on the campus police and the Katehi administration.

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explains.<sup>10</sup> Contrary to Chancellor Katehi's representations, the report also concludes that she met several times with David Nevins, the president and CEO of Nevins & Associates.<sup>11</sup>

Moreover, in her interview with the investigator, Chancellor Katehi "claimed to have no recollection of UC Davis' engagement with Purple Strategies and stated that she had never heard of Purple Strategies prior to April 2016."<sup>12</sup> This statement was directly refuted by the record. The investigators found that Chancellor Katehi approved the initial engagement with Purple Strategies, that she participated in at least one meeting with Purple Strategies, and that she received multiple updates on the firm's work. In one instance, she personally weighed in on the changes the firm proposed to make to her personal Wikipedia page.<sup>13</sup>

With respect to a third social media firm, IDMLOCO, the report confirmed the chancellor met with the IDMLOCO team on at least five separate occasions. On at least one instance, she signed off on the strategy the firm proposed and she received multiple messages regarding IDMLOCO's work for the University.<sup>14</sup>

Overall, the investigative report demonstrates that Chancellor Katehi's assertions, made repeatedly to the press and to me, that she had no involvement with social media consultants nor their work were false. Instead, the report finds that "[a]lthough Chancellor Katehi did not negotiate the contracts or oversee the day-to-day work of the consultants, she advocated for or approved the hiring of each company, participated in meetings with each, and was aware of and reviewed their work product from time to time."<sup>15</sup>

*b. Contrary to Chancellor Katehi's Claims, the Social Media Engagements Did Relate to Improving Her Personal Reputation*

Chancellor Katehi also asserted publicly that the social media engagements had nothing to do with improving her personal reputation. According to the investigative report, Chancellor Katehi "insisted to the *Sacramento Bee* as well as to the investigation team that neither she nor the consultants were focused on her personal reputation."<sup>16</sup> The report finds that Chancellor Katehi's statement was not accurate – all three of the social media engagements were driven in significant part by Chancellor Katehi's concern with her own personal reputation. "The available evidence suggests that Chancellor Katehi was keenly focused on and concerned about her portrayal on the Internet," the investigative report states.<sup>17</sup> It concludes that Chancellor Katehi's position that neither she nor the consultants focused on improving her personal reputation "is inconsistent with the weight of the evidence and is belied by multiple witness accounts and documents reviewed by the investigation team."<sup>18</sup>

<sup>10</sup> Investigation Report, Page 42.

<sup>11</sup> Investigation Report, Page 53-54.

<sup>12</sup> Investigation Report, Page 54.

<sup>13</sup> Investigation Report, Page 55.

<sup>14</sup> Investigation Report, Page 57-58.

<sup>15</sup> Investigation Report, Page 42.

<sup>16</sup> Investigation Report, Page 42.

<sup>17</sup> Investigation Report, Page 52.

<sup>18</sup> Investigation Report, Page 42.



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As to why Nevins & Associates was hired, the report describes the belief of the [REDACTED] at the time who said the chancellor's "real objective" was improving her personal reputation.<sup>19</sup> According to the report, this senior staffer "stated that Chancellor Katehi's paramount concern seemed to be her own reputation, not the school's reputation—and his conversations with the chancellor clearly reflected this concern. [REDACTED] stated that Chancellor Katehi voiced frequent concerns about her negative Internet search results and her personal Wikipedia page."<sup>20</sup> According to another former [REDACTED] staffer who was present at one of the Nevins meetings, "Chancellor Katehi made it very clear in this meeting that Nevins should seek to improve internet search results for Chancellor Katehi personally."<sup>21</sup>

The report finds that the chancellor's concern for her own reputation also led to the hiring of Purple Strategies. "The available evidence makes clear that Purple Strategies' engagement generally focused on improving Chancellor Katehi's personal narrative and online identity, primarily through her Wikipedia page."<sup>22</sup> The report notes that Purple Strategies' "proposal did not include a strategy to manage UC Davis' Wikipedia page; it was exclusively focused on Chancellor Katehi's page."<sup>23</sup> The former [REDACTED] explained to the investigators that Purple Strategies adopted this focus on "crafting and improving the online narrative related to Chancellor Katehi" because the chancellor and her top staffer "demanded it."<sup>24</sup>

A similar dynamic drove the engagement with IDMLOCO, the report said, explaining that UC Davis retained that firm "in response to concerns raised by Chancellor Katehi about the [Davis] Strategic Communication group—namely, that the department had failed to minimize negative Internet search results for the Chancellor and UC Davis."<sup>25</sup> Like the other two firms, IDMLOCO's "work focused on improving the chancellor's reputation."<sup>26</sup> Indeed, one of the key deliverables from IDMLOCO appears to have been the creation of a website centered around the chancellor, lindakatehi.com.<sup>27</sup>

Again, the investigation's findings directly contradict Chancellor Katehi's assertions that the social media contracts had nothing to do with addressing her personal reputation. All three engagements were promoted by, and focused in significant part, on doing precisely that. The report concludes, "Chancellor Katehi was intensely concerned with her own reputation, and was focused on the consultants doing work to improve her reputation."<sup>28</sup> Dedicating resources to efforts that improve a chancellor's reputation may not always be a policy violation because the reputation of a campus and its chancellor are often intertwined, but the fact that Chancellor

<sup>19</sup> Investigation Report, Page 46.

<sup>20</sup> Investigation Report, Page 45.

<sup>21</sup> Investigation Report, Page 54.

<sup>22</sup> Investigation Report, Page 50.

<sup>23</sup> Investigation Report, Page 50.

<sup>24</sup> Investigation Report, Page 55.

<sup>25</sup> Investigation Report, Page 56.

<sup>26</sup> Investigation Report, Page 56.

<sup>27</sup> Investigation Report, Page 51.

<sup>28</sup> Investigation Report, Page 59.

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Katehi significantly mischaracterized the purpose of the social media contracts underscores her lack of candor and forthrightness.

*c. Contrary to Chancellor Katehi's Claims, the Social Media Engagements Did Involve Efforts to Rewrite or Eliminate Negative Online Content*

The Nevins & Associates contract with UC Davis contained language about eliminating negative search results and said the firm would "expedite the eradication of references to the pepper spray incident in search results on Google for the university and the Chancellor."<sup>29</sup> After the initial *Sacramento Bee* story about the social media contracts, Chancellor Katehi asserted several times that the engagements had nothing to do with removing negative content from the Internet, including content related to her actions in the 2011 pepper spray incident. Chancellor Katehi issued a public statement on April 18, in which she stated, "I assure you: none of our communications efforts were intended – or attempted – to erase online content or rewrite history."<sup>30</sup> She made a similar claim during her April 21 meeting with the *Bee* editorial board, and she added in a subsequent interview with the *Davis Enterprise* that the staff in the UC Davis contract office who signed the Nevins contract "should have said this is unacceptable."<sup>31</sup> However, the investigative record contradicts these claims and demonstrates that a key expectation of the outside firms was to remove, limit, or rewrite negative online material about Chancellor Katehi.

The report identifies two former heads of strategic communication at UC Davis who "informed the investigation team that Chancellor Katehi's desire to limit negative information about herself on the Internet, specifically arising from the 2011 pepper spray incident, was a significant driving force behind the Nevins retention."<sup>32</sup> In describing the lead up to the Nevins engagement, a former [REDACTED] said, "Chancellor Katehi would consistently ask [REDACTED] why can't you get me 'off the Google?'"<sup>33</sup> Two other employees involved in the contracting process for the Nevins engagement "believed that the Chancellor's office was very clear that they wanted this language" related to the elimination or eradication of negative online content "because the prior consultant 'did not scrub hard enough.'"<sup>34</sup>

Similarly, the Purple Strategies contract was motivated in large part by Chancellor Katehi's ongoing "focus on negative search results."<sup>35</sup> In the lead up to hiring Purple Strategies, Chancellor Katehi wrote to the associate chancellor for strategic communications, "I would like to speak with you about google in general. I did a search recently and it seems to be the worse [sic] I have seen in a long time. I am afraid we have regressed and I would like to discuss with you [sic] change in strategy."<sup>36</sup> Not surprisingly, the thrust of the strategy that ultimately

<sup>29</sup> Investigation Report, Page 48.

<sup>30</sup> Investigation Report, Page 43.

<sup>31</sup> Investigation Report, Page 43-44.

<sup>32</sup> Investigation Report, Page 52.

<sup>33</sup> Investigation Report, Page 45.

<sup>34</sup> Investigation Report, Page 44 n.92.

<sup>35</sup> Investigation Report, Page 55.

<sup>36</sup> Investigation Report, Page 55.

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emerged in the Purple Strategies engagement involved efforts to rewrite Chancellor Katehi's personal Wikipedia page. In direct contravention of Chancellor Katehi's assertion to the UC Davis community that the social media engagements neither "intended – or attempted ... to rewrite history"<sup>37</sup> that was precisely the goal and execution of the Purple Strategies engagement – to rewrite the history reflected in Chancellor Katehi's personal Wikipedia page.<sup>38</sup>

ii. Chancellor Katehi was untruthful about the extent of her involvement with the DeVry University board

Chancellor Katehi's lack of candor also arises in examining her ill-advised decision to join the board of DeVry University, a controversial for-profit college headquartered in Illinois. Separate from the questionable judgment related to accepting a position on the DeVry University board (which is discussed below), her actions prior to the public announcement that she had joined that board, as well as the aftermath, also revealed serious lapses of truthfulness.

When Chancellor Katehi interviewed for the DeVry University board position in January 2016, she was informed that DeVry was under federal investigation. However, according to the investigative report, Chancellor Katehi failed to disclose this information on the 2016 form that she submitted to the Office of the President seeking approval for the DeVry University board position (which she had already accepted). Chancellor Katehi subsequently attended an orientation at DeVry headquarters near Chicago on February 8-9, 2016, where she learned that the federal government had sued DeVry for a variety of deceptive practices. Chancellor Katehi again failed to provide this information to the Office of the President.<sup>39</sup> The report explained that, according to Chancellor Katehi, "it did not even cross her mind to provide this information to the President, despite the fact that [the President] would be deciding whether Chancellor Katehi's service on the DeVry board was appropriate."<sup>40</sup>

The withholding from the Office of the President of information highly material to the outside professional activities request reflects poor judgment and a lack of candor, both of which continued after a public announcement that Chancellor Katehi had joined the DeVry University board (although she still had not received authorization to do so). The report concludes that, following the public announcement, Chancellor Katehi made several statements to me that were not candid. "Chancellor Katehi told President Napolitano that she had not yet begun her service on the DeVry board, which was untrue," the report states. "Chancellor Katehi had already attended two events related to her board service—an orientation for new board members at DeVry's headquarters near Chicago and a board meeting in Florida just two weeks before her conversation with President Napolitano."<sup>41</sup> She also did not convey that she "had learned about certain investigations and enforcement actions concerning DeVry during those meetings."<sup>42</sup> During the continued public controversy regarding Chancellor Katehi's decision to join the DeVry board, the chancellor made no effort to correct this crucial, untrue statement that she not

<sup>37</sup> Investigation Report, Page 43.

<sup>38</sup> Investigation Report, Page 49-50.

<sup>39</sup> Investigation Report, Page 87, 95-96.

<sup>40</sup> Investigation Report, Page 96.

<sup>41</sup> Investigation Report, Page 82-83.

<sup>42</sup> Investigation Report, Page 89.



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yet begun her board service. Instead, as the report found, it was through the media that I and UCOP staff learned that Chancellor Katehi had, in fact, already begun her board service.<sup>43</sup>

The report found that Chancellor Katehi's lack of candor extended to her relationship with her staff. A *Sacramento Bee* story on Chancellor Katehi's resignation from the DeVry board quoted a communications staffer as saying that her acceptance of the board seat was "in accordance with University of California policy." In an interview with the investigators, the communications staffer reported that Chancellor Katehi told him "in a face-to-face meeting right after the story broke that she followed the policy to the letter. Although Chancellor Katehi was very insistent that she followed the policy, [the staffer] later found out that she filed the paperwork, but did not wait for approval."<sup>44</sup> This is another unfortunate instance of the chancellor making material misstatements in an effort to induce someone at the University – in this case, one of the Davis communications staffers – to take actions defending her on the basis of information that she knew to be false.

- iii. Chancellor Katehi exhibited a lack of candor regarding her commitment to support scholarships for UC Davis students using the proceeds from her board service

As public concerns grew about her acceptance of a seat on the DeVry board, and her service on the John Wiley & Sons board, Chancellor Katehi issued a public statement in March 2016 stating that she "intend[ed] to donate all the stock proceeds I made from serving on the John Wiley and Sons board to a scholarship fund for UC Davis students."<sup>45</sup> She reiterated that commitment with a statement to UC Davis students and campus leadership.<sup>46</sup> Before the California Assembly Standing Committee on Higher Education and the Assembly Budget Subcommittee on Education Finance, the chancellor testified that she already had "dedicated the returns of the stocks that I received at the end, last year from Wiley to student scholarships."<sup>47</sup>

That Chancellor Katehi had committed the proceeds from her Wiley board service to scholarships for California undergraduate students at UC Davis was an important element of the University's defense of her. However, the investigative report confirms that, to date, the chancellor has not established a scholarship fund nor donated the stock proceeds. "Chancellor Katehi made multiple representations to the UC Davis community, the public, and President Napolitano concerning the establishment of a scholarship fund for UC Davis students," the report states. "Raising the possibility that she will renege on her scholarship pledge could have an impact on Chancellor Katehi's leadership and credibility with the campus community and the public."<sup>48</sup>

- iv. Chancellor Katehi's ongoing lack of candor about critical University matters violates the University's policy on ethical conduct

<sup>43</sup> Investigation Report, Page 96.

<sup>44</sup> Investigation Report, Page 90, n. 205.

<sup>45</sup> Investigation Report, Page 77.

<sup>46</sup> Investigation Report, Page 77-79.

<sup>47</sup> Investigation Report, Page 81.

<sup>48</sup> Investigation Report, Page 82.

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The investigative report uncovered a pattern of Chancellor Katehi's misrepresentations about crucial University matters, including those central to the decision-making of University leadership, those of key concern to UC Davis students and community members, and those that are the subject of public concern. Chancellor Katehi has not taken any responsibility for these misstatements and has sought to deflect, rather than accept, accountability for serious errors in judgment and shortcomings in her leadership. Based on the review of the evidence related to the social media engagements, the investigator concluded that Chancellor Katehi violated the UC Standards of Ethical Conduct, in particular the requirements that all University members "conduct themselves ethically, honestly and with integrity in all dealings" and the requirement that University members exercise "sound judgment and serv[e] the best interests of the institution and the community."<sup>49</sup> This is a significant policy violation for a campus chancellor, who enjoys a unique position of trust and authority within the University system. When a chancellor repeatedly misrepresents or fails to disclose important facts about challenging or difficult issues, it is hard to see how the Regents, the Office of the President, the campus community, or the public can maintain confidence in her leadership.

**B. The Investigative Report Shows that Chancellor Katehi** [REDACTED]

For UC to function successfully, it must rely on the sound judgment of its senior leaders to deal with the multitude of issues they address daily. Unfortunately, the report identifies many examples of Chancellor Katehi failing to exhibit the judgment required of a UC chancellor. These examples include: joining the DeVry University board before obtaining required approval; serving on the advisory board at King Abdulaziz University; failing to report service on 17 outside boards or to seek guidance on whether reporting was necessary; failing to make any effort to correct misrepresentations to UC leadership upon learning they were false; and seeking to eliminate negative information from the Internet. As explained further below, these shortcomings in judgment often involve violations of University policy as well.

- i. Chancellor Katehi's decision to join the board of DeVry knowing that she did not have the required approval and without conducting reasonable due diligence violated University policy and demonstrated very poor judgment

The report concludes that Chancellor Katehi violated University policy by beginning her service on the DeVry board before obtaining the necessary approval. That Chancellor Katehi even considered joining such a board raises serious questions about her judgment. "When deciding to join the DeVry University Board of Directors, Chancellor Katehi disregarded information regarding government investigations and enforcement actions directed at DeVry University, as well as other concerns about the for-profit education industry in general," the report finds.<sup>50</sup>

<sup>49</sup> Investigation Report, Page 58.

<sup>50</sup> Investigation Report, Page 82.

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Moreover, even if Chancellor Katehi was for some reason not aware of the concerns with DeVry that were “well known in the higher education community,”<sup>51</sup> the report finds that she failed to conduct reasonable due diligence that would have alerted her to the wide range of concerns with DeVry. In fact, the report determines that Chancellor Katehi conducted no investigation into DeVry at all, even after hearing at her initial board interview that DeVry was under federal investigation.<sup>52</sup> The report identifies the reasonable due diligence one would expect someone in Chancellor Katehi’s position to undertake, but she failed to do. This includes: (1) basic Internet research; (2) reviewing the complaint filed by the federal government in its enforcement action against DeVry (which Katehi learned about during her DeVry board orientation); (3) reviewing public information about DeVry, which listed various federal and state investigations against the company; and (4) reviewing civil lawsuits filed in multiple states.<sup>53</sup>

ii. Chancellor Katehi’s judgment issues related to board service are not limited to DeVry

Unfortunately, Chancellor Katehi’s failure to undertake reasonable due diligence or exercise sound judgment when choosing what institutions to associate with was not limited to this single instance.

Overall, the investigation finds that Chancellor Katehi served on 22 boards of directors during her time as UC Davis chancellor, but reported and sought approval for only *five* of those boards. The report found that Chancellor Katehi did not seek guidance from the Office of the President as to whether reporting was necessary for the 17 other boards. As a result, the investigative report concludes that “because Chancellor Katehi failed to report her service on 17 boards or to seek guidance from her approving authority that reporting was not required, she violated” the applicable University policy.<sup>54</sup>

In addition, the report found that the chancellor demonstrated the same poor judgment displayed in joining the DeVry board when she was asked to join the board of King Abdulaziz University (KAU) in Saudi Arabia. “KAU has suffered criticism for allegedly manipulating its university ranking by, in part, paying scholars to affiliate themselves with the University,” the report said.<sup>55</sup> Chancellor Katehi joined the International Advisory Board for KAU in April 2012, despite being aware of these concerns. The report found that “Chancellor Katehi conducted very little due diligence and displayed questionable judgment regarding KAU.”<sup>56</sup> Moreover, the report determines that she never listed KAU on her Outside Professional Activities forms. Her failure to do so also violates University policy.<sup>57</sup>

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<sup>51</sup> Investigation Report, Page 95.

<sup>52</sup> Investigation Report, Page 95.

<sup>53</sup> Investigation Report, Page 95-96.

<sup>54</sup> Investigation Report, Page 95.

<sup>55</sup> Investigation Report, Page 94.

<sup>56</sup> Investigation Report, Page 96.

<sup>57</sup> Investigation Report, Page 94.



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- iii. Chancellor Katehi exercised repeated poor judgment by not correcting misstatements she later learned were false, despite reasonable expectations that UC leadership would rely on her misrepresentations

The report identifies multiple times when Chancellor Katehi learned that a representation she made to me or the Office of the President was false, but took no steps to correct them when she became aware they were false.

Two examples relate to the employment of Chancellor Katehi's family members at the UC Davis campus. UC, like other universities, allows the employment of near relatives if it advances the good of the University. This policy often augurs to the benefit of UC. Nonetheless, it requires that any conflicts, whether apparent or actual, be managed before the employment relationship begins. In a conversation I had with Chancellor Katehi on April 19, 2016, she said there were no issues related to the employment of her near relatives and that she played no role in matters that affect their employment. The investigative report finds that "[l]ater that day or on the following day, April 20, Chancellor Katehi appears to have learned about concerns relating to her family's employment, including that her son may have been reporting to her daughter-in-law . . . . There is no evidence suggesting that, once Chancellor Katehi learned of concerns related to her family's employment at UC Davis, she attempted to follow up with President Napolitano on this issue."<sup>58</sup> The report also indicates that Chancellor Katehi learned in April 2016 that she actually had been involved in a matter related to the center that employed her son earlier that year,<sup>59</sup> but she made no effort to update either me or UCOP about this other potential issue. Similarly, after submitting her initial request for approval to join the DeVry board, but before receiving required approval, Chancellor Katehi learned at meetings related to her board service about a lawsuit the federal government had just brought against DeVry but, again, failed to bring that information to the attention of the Office of the President.<sup>60</sup> Despite the obvious relevance of this information, Chancellor Katehi told the investigators "it did not even cross her mind to provide this information to the President."<sup>61</sup> Chancellor Katehi's repeated failure to correct misstatements she made to University leadership about highly material matters that they are likely to rely upon reflects poor judgment that is not consistent with the expectations for a UC chancellor.

### **C. The Investigative Report Shows that Chancellor Katehi Adopted Management Practices that Exacerbated these Issues**

Chancellor Katehi's repeated poor judgment and her pattern of exhibiting a lack of candor with University leadership, the campus community, and the public about critical issues are troubling. Equally disturbing are her management practices that appear to facilitate these problems.

<sup>58</sup> Investigation Report, Page 39 n81.

<sup>59</sup> Investigation Report, Page 19 n21, page 38.

<sup>60</sup> Investigation Report, Page 83.

<sup>61</sup> Investigation Report, Page 96.

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Chancellor Katehi has fostered a culture where even the campus leaders closest to her do not feel comfortable letting her know when she is engaging in questionable activity. For instance, [REDACTED]

Even in instances where staff members raised concerns about the advisability of proposed actions because it would reflect negatively on the judgment of a top public research university, Chancellor Katehi did not heed their counsel. The report highlighted two different occasions, separated by several years, where top communications staffers advised the chancellor against directing her staff or others to rewrite her Wikipedia page. Chancellor Katehi, however, paid them no mind. In the first example, the report explained that soon after her appointment as chancellor of UC Davis, people raised allegations that the University of Illinois, where the chancellor had previously served as provost, had improperly admitted the children of politically influential figures. Chancellor Katehi, interrupting her vacation, phoned the [REDACTED] [REDACTED] "and asked him to edit her Wikipedia page concerning her knowledge of the Illinois admissions scandal." Although the [REDACTED] advised her not to do it, Chancellor Katehi insisted and the "staff made the revisions under protest."<sup>64</sup> In the second example, as part of the Purple Strategies engagement, the consultant proposed making revisions to the chancellor's Wikipedia page. A [REDACTED] objected "because she did not think it was appropriate for her to influence how Wikipedia presented content unless it was blatantly false," but the staffer's concerns were not heeded.<sup>65</sup>

Finally, Chancellor Katehi made no effort to create a culture of compliance in her office. As noted above, the report found that Chancellor Katehi took no steps whatsoever to determine whether 17 of her 22 outside professional activities required approval by UCOP – she simply pursued those activities and did not report them, as required by University policy.<sup>66</sup> Similarly, the report found that the chancellor and her staff engaged in practices related to her travel expenses, including seeking double reimbursement from outside organizations and the University so that she would not have to carry any expenses personally while waiting for reimbursement from an outside organization, against policy. The report also found that Chancellor Katehi did not always comply with the policy governing trips that have both official and personal components. Taken alone, these violations may seem minor, but as part of a continuum, they reflect a culture of noncompliance with applicable University policies.

Furthermore, the report indicates that Chancellor Katehi did not follow the near-relative policy with the care one would expect from a chancellor. She entered into a near-relative agreement with her son months after he had already obtained a paid position on campus, in violation of the policy. Once the near relative agreement between her and her son was untimely executed in March 2015, it listed activities that related to her son's employment from which Chancellor Katehi was required to recuse herself. One of these activities involved a center that

<sup>62</sup> Investigation Report, Page 96.

<sup>63</sup> Investigation Report, Page 96.

<sup>64</sup> Investigation Report, Page 53.

<sup>65</sup> Investigation Report, Page 55-56.

<sup>66</sup> Investigation Report, Page 95.



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employed her son. Nevertheless, in January 2016, several months after she signed the near-relative agreement, she personally approved the decision to move the center from an academic unit to an administrative unit. Chancellor Katehi asserts that she did not learn until April 2016 that her son worked at the center and therefore was unaware of the conflict when she was involved in decision-making about the center, but, as the report itself notes, the near-relative agreement which Chancellor Katehi asserted she relied upon to ensure no conflicts arose made clear that her son worked at the center.<sup>67</sup> In fact, her son's employment at the center was the driving force behind the need for the near-relative agreement. In and of itself, this could constitute a reparable policy violation, but it reflects once again the chancellor's carelessness with University policies. This is troubling on its own merits, but even more troubling for what it suggests to her staff and the wider campus community about the need to follow UC policies.<sup>68</sup>

### III. Conclusion: [REDACTED]

The independent investigation identified and examined many different issues related to Chancellor Katehi's candor, judgment, compliance with policy, and management practices.

Most importantly, the investigation concludes that Chancellor Katehi violated the University's Standards of Ethical Conduct, which require that all University members "conduct themselves ethically, honestly and with integrity in all dealings" and exercise "sound judgment and serv[e] the best interests of the institution and the community." These Standards of Ethical Conduct apply to all members of the University of California. The public, our students, and our faculty expect that those charged with running a public research university of UC's caliber will uphold the highest ethical standards. Moreover, given the decentralized structure and sheer size and breadth of the University's operations – spanning 10 campuses, five medical centers, and three national laboratories – the Office of the President and the Regents by necessity rely on sound judgment and forthright communications from campus leadership, and in particular, our chancellors.

I am very disappointed we have reached this point. Chancellor Katehi made important contributions to the Davis campus. Fortunately, many at UC Davis and across the state have contributed to the campus's amazing success – no single individual is responsible for the many accomplishments that have made it a world leader in a number of academic fields. The Office of

<sup>67</sup> Investigation Report, Page 19-20 n.21.

<sup>68</sup> Chancellor Katehi's violations of the near relative policy also suggest those policies need revision and tightening, much as the Board of Regents recently undertook with respect to the policy on outside professional activities.



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the President will continue to support, and work with Davis's faculty, students, staff, and community, to ensure the campus continues this trajectory and builds on its momentum.

Like many of you, I would have preferred the chancellor's private resignation without the need for, and expense of, an outside investigation. Regrettably, Chancellor Katchi rejected this option and chose to contest the questions about her candor and judgment in public. It is an understatement to say that the removal of a chancellor is a very serious matter. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Yours very truly,



Janet Napolitano  
President

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<sup>76</sup> This recommendation extends only to her at-will administrative post, not to her rights and privileges as a member of the faculty. Absent an independent action in the Privileged and Tenure Committee of the UC Davis Academic Senate, she will continue to hold a faculty position at the Davis campus when she is no longer is chancellor.