



A MESSAGE FROM THE OFFICE OF THE PRESIDENT

September 30, 2021

Dear Tuskegee University Community,

In my role as president of Tuskegee University, I pledge to never shy away from difficult conversations or challenging topics and to lead with transparency and accountability. Today, I am writing to inform you of a multi-year effort to defraud Tuskegee and the significant steps that the administration and Board of Trustees have taken to ensure this does not happen again in the future.

In January 2020, the board learned of financial irregularities involving grant payments in certain university fund accounts. As soon as the board was made aware of this information, we authorized an investigation into the matter, overseen by a Special Review Committee of the board and ultimately informed and led by three external firms with expertise in uncovering financial wrongdoing. The university also coordinated with law enforcement to determine whether any criminal conduct may have taken place.

After an internal investigation, the university confirmed several former employees had conducted a multiyear scheme to defraud Tuskegee of approximately \$500,000 by diverting grants and university-owned funds. While no amount of theft is ever acceptable, we learned the fraud scheme in total involved less than 2% of the funds in the affected grants in small increments, believed to be an intentional tactic to avoid detection. Fortunately, we also know the scheme had minimal impact on the distribution of the hundreds of millions of dollars that Tuskegee received in grant funding during that time, funding which has successfully supported groundbreaking research by the university's faculty and staff across several departments.

As a result of this investigation, several university employees are no longer employed by Tuskegee due to their involvement in the scheme or failure to prevent it. In addition, three former employees have been arrested by state law enforcement and charged with theft. The actions of these former employees, who took advantage of the university and breached our community trust in the process, are disturbing and unacceptable. Their actions contradict both our values and our commitment to creating a campus environment based on trust, integrity, and honesty.

It's important to note that this scheme is no longer active and that all of the employees involved in this attempt to defraud the university are no longer employed by Tuskegee. In addition, no grant payments or funds at the university are currently affected by this scheme, nor was any student financial aid involved.

Though the university was a victim of this complex fraud scheme, our internal investigation also highlighted the need for Tuskegee University to more closely examine the institutional controls and accounting processes that made the university vulnerable to this breach of trust in the first place. After a thorough review of our policies, practices, and procedures led by outside experts and based on the recommendations of those experts, we have already taken a number of corrective actions and remedial measures to safeguard against potential future fraudulent activity. As part of this work, we have implemented a number of changes, including but not limited to the following:

- Modernized our [Whistleblower Protection and Investigation Policy](#) to include increased protections and launched an anonymous whistleblower hotline, as reflected in an announcement to all Tuskegee staff on June 15, 2021;
- Created a [Fraud, Waste, and Abuse Policy](#) that explicitly prohibits this type of behavior;
- Revised our accounting manual to decentralize approval processes and controls;
- Strengthened our accounting system controls and diligence process, including as it relates to segregating duties around vendor creation, management, and invoicing; and
- Retained a higher education technology consulting firm to assist in strengthening controls with Ellucian Colleague, the university's enterprise resource planning (ERP) software

The measures that have already been put in place are in addition to other policies and procedures that the University is preparing to implement with the continued help of outside experts, including phasing out the manual check request process, developing robust ethics training University-wide, and developing an anti-nepotism policy, among other things. We will continue to share more about the development of those important policies at the appropriate time.

As we have done from the outset, we will continue to cooperate fully with law enforcement regarding their ongoing criminal investigation into these matters. I want to assure you that nothing is more important to me than creating a safe, welcoming, and secure campus environment where all members of our community feel valued and able to contribute to the greater good. In order to achieve this, every single one of us must feel empowered to speak up if we experience or see something counter to our values.

When I accepted the role of president, I did so because of my unwavering belief in and deep respect for Tuskegee's community and values. It is the foundation of our collective work together and the charge given to me by the Board of Trustees. I look forward to continuing to build on the strong foundation of this community and our values moving forward.

Sincerely,



Charlotte P. Morris, Ph.D.
President

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