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Board of Regents' Statement In Response to the Deloitte and Touche Report Wednesday, October 29, 2003

The University of Georgia (UGA) Foundation submitted a report to the Board of Regents and the Chancellor on Friday, October 27, 2003. This report by Deloitte and Touche (D&T) was ordered by the UGA Foundation. The report dealt with six primary areas and other areas involving President Michael Adams, President of UGA, that were identified by the Foundation Executive Committee.

The Regents were told through the Chancellor that the Foundation would publicly release the report on Wednesday, October 29, 2003, giving the Regents only three working days to solicit a response from UGA although the report took over three months to generate.

Since neither the Chancellor, the Regents nor President Adams was given the opportunity to see the report prior to its distribution last Friday, there has been no opportunity to prepare a response until this late date. No reasonable explanation was provided for this unusual approach.

At the Chancellor's request, President Adams has now personally responded to the report and, again at the Chancellor's request, the senior management team at UGA has also responded in great factual detail to the report from Deloitte and Touche. Both responses are attached with the D&T report which is being released in concert with the Foundation as agreed.

After carefully considering all three submissions, the Board of Regents expresses extreme disappointment in the report from Deloitte and Touche and is deeply distressed it has received such attention from the Foundation.

The Regents find the report offensive in a large number of ways, for example:

- numerous significant factual errors;
- assumptions not based on facts;
- selective use of information;
- lack of understanding of a complex research institution's operations;
- innuendos;
- hearsay;

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- statements attributed to sources unidentified; and
- inappropriate conclusions drawn.

For such a report to be submitted by Deloitte and Touche and for the report to be accepted by the Foundation and forwarded to the Regents without giving the President of the University an opportunity to respond or even to see the report is neither reasonable nor fair and has no place in the world of academia.

Given the way this report was initiated and the timing, the Regents find it impossible to divorce this action from the personnel decision made by President Adams regarding Athletics Director Vince Dooley. Although some contend this is not the case, the facts speak for themselves.

The Regents find the report submitted by President Adams and the report submitted by the UGA senior management team to be far more credible than the report submitted by Deloitte and Touche.

Has President Adams been perfect for the six years he has served as president at UGA? Of course not! Have there been times when he might have used better judgement? Absolutely, but those times are relatively few and he has admitted those. Do any of the accusations against President Adams reflect any criminal intent? Not at all! Has he always acted in what he considered to be in the best interests of the University of Georgia? Absolutely! Has he led the flagship institution of the state of Georgia into a position of greater academic prominence in American higher education? Without question!

The UGA Foundation has the potential to be an extraordinary resource for the University. However, its responsibility goes beyond managing assets. It not only must actively raise private resources, but its members must also give of their own time and assets in a way so as to serve as a positive model and a catalyst for others to give. It must also serve in a support role for the President. If and when Foundation members have questions regarding the President's activities with Foundation funds, it should meet with the President or the Chancellor privately and specifically address those concerns in a professional way and not in the manner demonstrated with the D&T report.

From the D&T report, it is obvious that the Foundation's own internal procedures and past practices contributed to some of the concerns and confusion. The Foundation's policies are not clear enough to accomplish what some would wish. The University has moved to a level of complexity which may require a different Foundation structure than now exists. The Regents are hopeful the Foundation will not look internally for advice on restructuring but will look to the best experts in the country for counsel to improve their procedures and governance.

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As stated previously, the Regents have received these reports and have evaluated their contents. As a result, the Regents reiterate their total and complete support for President Adams and ask the Foundation to close this chapter and now move forward and be about the business of raising private funds for the University. Individual Foundation members will have to decide whether or not they desire to continue as a Trustee.

It must not be forgotten that the health and well-being of the University of Georgia must be the ultimate concern of the Board of Regents and the UGA Foundation in this matter. This great university must have a close working partnership between these two bodies. Therefore, the Regents will enhance their communication link with the UGA Foundation.

The Regents now consider this matter closed.