MEMORANDUM

To: Steve Wrigley, Chancellor

From: G.P. "Bud" Peterson, President

Re: Update

The following is an update to my August 15, 2018 memo outlining the actions taken in response to the recent reviews at the Georgia Institute of Technology. I am pleased to report that along with the steps we have taken to renew or focus on the ethical culture here at Georgia Tech, we have made and continue to make significant progress to address the concerns outlined therein. The progress is summarized below:

Executive Searches

We have initiated the search process for four Cabinet-level executive positions, vacated through retirements, resignations or terminations. These are all currently filled with Interim appointments. For all four positions, the search committee chairs and search committee members have been appointed and the initial meetings have been held. In each case we have identified the administrative and human resources support staffing assigned to assist in the search process. An executive search firm will be utilized for one of the four searches, the Executive Vice President for Administration and Finance. Although national in scope, the three remaining searches will be conducted using our internal search process. The positions and their status are briefly summarized below:

- Executive Vice President for Administration and Finance – Chaired by Mr. Al Trujillo, president of the Georgia Tech Foundation. The executive search firm of Korn Ferry has been selected to manage the search process and the committee has held its initial meeting. The committee and search firm are finalizing the position description with the goal of placing advertisements by the end of November. The current timeline projects airport interviews to begin in January and finalist interviews to be held on campus in February or early March.

- Vice President for Ethics, Compliance and Legal Affairs – Chaired by Ms. Lynn Durham, associate vice president and chief of staff. The advertised deadline for applicants was October 31 and we received 103 applications for the position. The committee met last week to review candidates and selected a pool of nine accomplished and diverse candidates to invite to the first round of interviews. These interviews will take place the last week of November and finalist interviews will be held in early January 2019.

- Vice President for Institute Communications – Chaired by Dr. Kaye Husbands Fealing, professor and chair, School of Public Policy. The committee has met and finalized the job description and position posting. Advertisements were placed and the deadline for expressions of interest is November 30. The committee will meet
December 7 to determine the candidates who will be invited for airport interviews. The current plan is for campus interviews for the finalists to be held in February.

- Vice President and Director, Georgia Tech Research Institute – Chaired by Dr. Steve McLaughlin, Dean and Southern Company Chair of the College of Engineering. The search committee is holding its initial meeting today and will finalize the job description and position posting within a week. The current timeline projects airport interviews in mid-April and finalist interviews in early May.

I am confident that with the schedule outlined above we will be able to attract a high quality pool of candidates, while finalizing offers for these positions by late spring. We anticipate start dates as soon as possible thereafter.

**Ethics Point Progress**

Since early last summer we have worked to elevate visibility of Ethics Point. We have been very purposeful in inviting and encouraging our campus community to bring forward any concerns or reports of ethical misconduct or malfeasance and have pledged to investigate them promptly and completely. The chart below details the number of complaints received, closed and those currently pending.

<table>
<thead>
<tr>
<th>Open cases as of June 30, 2018</th>
<th>83</th>
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<tbody>
<tr>
<td>New cases received since July 1, 2018</td>
<td>201</td>
</tr>
<tr>
<td>Cases closed since July 1, 2018</td>
<td>178</td>
</tr>
<tr>
<td>Remaining open cases</td>
<td>106</td>
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As previously discussed, the number of new Ethics Point reports of alleged unethical behavior, poor management practice, or malfeasance is significantly higher than it has been in the past. This response is both disheartening, since there are so many issues being reported, but at the same time it is gratifying to know that the community is engaged and wants to do the right thing by reporting and uncovering any potential violations of law or policy that could ultimately harm Georgia Tech. We are also encouraged that in submitting their concerns the campus community is exhibiting confidence that the Institute will take the necessary steps and appropriate actions.

The increase in the case closure rate was achieved by temporarily increasing investigative staff in both Internal Audit and Human Resources, as well as by contracting for the services of Counsel on Call attorneys. In conjunction with the Comprehensive Administrative Review process, the executive leadership team is reviewing and considering the number of permanent staff needed to have a robust and responsive investigative team that can ensure that in the future all reports are acted upon promptly and professionally and the individuals submitting the reports are notified of any actions taken.
We anticipate the number of new cases to continue to decline and to return to the normal number during the spring semester.

**Ethical Culture Indicator**

In an effort to better understand the campus climate as related to the ethical culture that exists at Georgia Tech, we have contracted with the University of North Georgia’s BB&T Center for Ethical Leadership and are using its Ethical Culture Indicator to measure ethics awareness, ease of reporting unethical behavior, and community values. The survey was initiated on September 17, 2018 and completed on September 28, 2018. It was sent to all full-time and part-time faculty and staff and Institute-employed graduate students. The overall response rate was 51.9%, which was regarded as quite strong by the BB&T staff. Results will be shared with the President's Cabinet November 27, 2018, after which we will have the opportunity to thoroughly review and understand the data. Working with Rose Proctor from the USG and Perry Tomlinson from the BB&T Center we will use the results to develop plans for educational, training and awareness-building programs on our campus. This awareness and training effort is scheduled to begin February 4, 2019 with a half-day meeting of the direct reports to the president, provost, executive vice president for Administration and Finance and the executive vice president for Research. In addition to these in-depth educational, training and awareness-building programs, information and training will be disseminated to the campus community at large throughout the spring semester.

**Ethics Awareness Week Activities**

The USG’s Ethics Awareness Week is providing Georgia Tech an important opportunity to focus on ethical standards and expectations, while celebrating the faculty, staff and students who make up our community. Over the last two months a committee of more than 30 faculty, staff and students has planned events, activities, and communications that are broad, yet also targeted to certain segments of our population with specific concerns. Activities include the following:

- A kickoff event entitled “Ethical Leadership: A Shared Commitment” was held on November 6. More than 200 attended the session at the Academy of Medicine and several hundred more watched as it was live streamed to two other locations on campus and to individual workstations. I opened the event with a “town hall” type meeting to discuss recent events and answer questions. This was then followed by a panel discussion, comprised of several campus leaders with expertise in ethical behavior, who made presentations and answered audience questions.
- A “Lunch and Learn” session with the Atlanta Compliance and Ethics Roundtable is planned for November 13, where a speaker panel will discuss issues surrounding compliance and ethics, and a networking event will be held for students interested in careers in this area.
- A two-day film festival, with faculty-led discussions about ethical themes in movies and entertainment, will take place November 13 and 14.
- Discount tickets for three showings throughout the week of *A Man for All Seasons*, a play at the Shakespeare Tavern with strong messages about integrity and ethical choices, are available with a Georgia Tech ID.
• An event specifically designed for graduate students to inform them about Georgia Tech's non-retaliation policy will be held on Wednesday, November 14.
• Tables set up around campus and staffed throughout the day on Wednesday, November 14, to provide materials and invite the campus community to pledge to behave ethically and adhere to our Ethics Awareness Week focus values of community, transparency and integrity.
• A video campaign, daily articles in the Daily Digest (a campus electronic newsletter) about ethical behavior, a lecture by a professor of business ethics, and many other graphic and written reminders around campus will be used to encourage a focus on improving our ethical culture.

Finally, as part of the USG's Ethics Awareness Campaign, we will be holding three town hall meetings, similar to the one held November 6 at the "kickoff," where I will discuss ethics, compliance, how to strengthen our focus on these issues and answer questions about building an ethical culture on campus. A list of planned activities, videos and resources is available at https://www.gatech.edu/about/ethics.

Other updates

In my August 15 report, there were three other items characterized as "in progress." We have also made significant advances in each of these areas since that last report.

• The five GTRI operations and support functions discussed in the August 15 report (Ethics and Compliance, Finance, Operations and Information Systems, Human Resources and Research Security) have been functionally integrated with Georgia Tech operations by creating dual reporting relationships where the directors of these units within GTRI report equally and directly to a GTRI executive and the corresponding Institute executive so there is oversight, and consistent and cohesive leadership.

• All research and academic conflict of interest management plans continue to be reviewed and approved by the Office of Research Integrity Assurance. All business conflict of interest disclosures are being reviewed and approved or denied by the Office of Ethics, Compliance and Legal Affairs, including more than sixty (60) new disclosures since August 13, 2018. Further review of management plans currently in place is anticipated to conclude by the end of the spring semester.

• Georgia Tech purchasing policies and procedures were reviewed and found to be fully compliant with USG and DOAS policies and rules. The Office of Financial and Business Services has communicated the basic requirements for purchasing procedures for all affiliated organizations, which includes:
  o alignment with Georgia Tech and USG purchasing policies;
  o appropriate segregation of duties;
  o protection against Conflict of Interest;
  o tiered approval levels; and
  o other basic controls to ensure fair competition.

In summary, the past six months have been difficult in many ways, but adversity brings opportunities for renewed strength, focus and resilience. I believe that we have made and
continue to make significant and sustainable progress toward resolving the issues identified in the recent reviews and that we are well on our way toward reinvigorating Georgia Tech's ethical culture. We are committed to continuing this emphasis throughout the spring semester and beyond, and appreciate the advice and guidance from the Board of Regents, you and the USG staff as we move forward with our efforts.
November 13, 2018

Dr. G.P. “Bud” Peterson  
292 Tenth Street, NW  
Atlanta, Georgia  30318  

Dear Dr. Peterson:

Thank you for the update on efforts to address the ethical culture at Georgia Tech. Your report summarizes significant progress being made in the critical areas outlined in my August 20th letter.

I appreciate you moving quickly to address the Cabinet-level leadership vacancies. As we have discussed, these hires are central to making long-term changes to the ethical climate at Georgia Tech.

Your staff has also made significant improvements in addressing ethics complaints in a more timely and thorough manner. Attention to this issue will need to remain paramount in order to regain the public’s confidence that complaints will be taken seriously. In addition, the new partnership with the BB&T Center for Ethical Leadership will improve the campus climate by providing awareness and training for employees.

While there is still much work done to be done to ensure real and permanent change, I am pleased with Georgia Tech’s progress and appreciate you making ethical management a top priority for your leadership team and the institution. Please continue to keep me and my staff apprised of your progress and let me know how we can be of assistance.

Sincerely,

Steve W. Wrigley  
Chancellor