

USC Promised Transparency, So Why Is It Acting 'Like The Kremlin'?

By AUSTIN PEAY



Rick Caruso attends the Let California Kids Hear Campaign at The Grove on Aug. 12, 2019 in Los Angeles. (Matt Winkelmeyer/Getty Images for Caruso)

In July 2017, the University of Southern California was reeling from a Los Angeles Times investigation into the former medical school dean, Carmen Puliafito. He had quietly resigned the previous year — but then the Times revealed that while he was still leading the medical school, he had been abusing methamphetamine and other drugs with criminals and addicts. One woman had overdosed while with him in a hotel room.

Days after the story broke, USC promised a full investigation into Puliafito's conduct and how the university had handled his case. Last year, Rick Caruso, chair of the USC Board of Trustees, was asked directly if the university would make the report public: "the answer is yes," Caruso said. Legal issues might preclude releasing everything, he said, but "the goal is to get as much or all the information out there that we can."

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Now, more than a year after Caruso promised to release the Puliafito investigation, and more than two years after it was announced, nothing has been made public. In fact, multiple high-ranking USC officials say that they have not seen or heard of a written report, raising the possibility that it does not even exist. Instead, the high-priced lawyers paid to conduct the probe have given verbal briefings to a select few USC leaders.

That isn't an isolated occurrence at USC, which has suffered so many embarrassments that some have taken to calling it the University of Scandal and Corruption. The same pattern has played out in scandal after scandal.

A corrupt basketball coach.

A campus gynecologist accused of abusing hundreds of undergraduate students.

A business school facing questions of discrimination and harassment.

A cadre of athletics officials snared in one of the largest fraud-and-bribery schemes in United States higher education.

In each of these cases, USC hired expensive outside legal and investigative firms to examine, advise and report on the facts. But the reports, if they exist at all, remain locked in USC's coffers. Despite repeated calls to release them — and promises by Caruso to make two of the reports public — faculty, students, parents, alumni and the larger community have seen nothing.

USC has "acted like the Kremlin," said William Tierney, a USC professor of higher education and an expert in university governance. "I mean, it's harder for the faculty to get written documents about what's taken place than the House Committee looking at the Mueller report."

Tierney is a University Professor, one of the highest faculty distinctions USC bestows, and he has worked at the university for a quarter century. The challenge facing USC is extraordinary, he said, because "it's not just one scandal. If it was one crazy doctor in a health center, maybe you could go, 'Well, you know, when you've got 5,000 people working, you're going to have one jerk.' But we've had these string of things."

In response to written questions, Caruso did not repeat his earlier promises to make the reports public. "I had sincerely hoped to have been able to release more infor-



USC President-elect Carol L. Folt addresses the USC community and the media after her appointment was announced, March 20, 2019. (Courtesy USC/Gus Ruedas)

mation regarding these two reports by this time," he said in a short statement. "However, we must balance the commitment to be as open as possible with the privacy of those harmed and taking into account the concerns of the ongoing external investigations and litigation. In the meantime, we have applied what we learned, together with input from students, faculty, senior leadership and board members, to institute significant reforms across the university."

Privacy and other considerations are important, said Michael Poliakoff, president of the nonprofit American Council of Trustees and Alumni. But redaction and other mechanisms can protect privacy rights, he said, "so I'm deeply puzzled" that the promised reports have not been forthcoming. "To restore public trust, to heal, there has to be transparency."

Promises of transparency and openness have become a common refrain from USC leaders.

In October 2018, then-Acting President Wanda Austin said: "Our commitment to excellence, trust and transparency is foundational to our success."

In her first statement to USC, new President Carol Folt wrote, "We all are concerned about the difficulties our university has faced recently. To be successful, we must meet those challenges with candor, transparency, and inclusion."

Caruso, the USC board chair, has pledged transparency in almost every interview he has given and statement he has issued. Earlier this summer, for instance, he said, "The Board is also proceeding with modernizing USC's governance to ensure more effective, inclusive, innovative and transparent leadership."

To answer questions for this story, USC put forth Michael Blanton, a vice president who oversees the university's system for handling complaints and its investigations into a wide variety of issues. After a nearly 45-minute interview in which he cited personnel privacy laws, ongoing litigation and federal investigations, and a lack of knowledge as reasons for not answering 22 out of 28 questions, Blanton concluded by saying, "All I can tell you is that one of the goals of myself and my office is to become an even more transparent entity."

The contrast between USC's promises of transparency and its actions has fueled mounting criticism. Two years ago, the Los Angeles Times ran an editorial with the headline "Is USC committed to transparency, or just damage control?" Earlier this year, in another editorial, the Times wrote: "Confronted by scandal after scandal, University of Southern California leaders have followed a similar pattern: Express shock and disappointment, call for an investigation to root out the school's failings — and then keep mum on the findings of those investigations."

Recently, the Concerned Faculty of USC, an influential group formed in the wake of the



Former USC medical school dean Carmen Puliafito. (Tonya Wise/Invision/AP)

campus gynecologist accused of sexual abuse, wrote to incoming president Folt. "The greatest casualty of the preceding years of scandal has been a sense not only of corruption and harm to students and faculty, but a sense that the university has not yet come to a full reckoning of the costs and consequences of past actions," the letter said. "Reports that are available to the higher administration should be shared widely across the USC community. While members of the Concerned Faculty understand the need for confidentiality, we are all too aware of the ways that 'privacy' and 'non-disclosure agreements' have kept the community from understanding and learning from past mistakes."

Lloyd Greif, a former member of the USC Associates board and a current executive committee member of the Marshall School of Business' board of leaders, was more blunt. In an interview, he said that USC's leaders "talk about this new spirit of transparency and shared governance, and all I can tell you is their actions speak louder than their words, and those words ring hollow. There is no transparency."

Here's what the record shows:

FORMER MEDICAL SCHOOL DEAN CARMEN PULIAFITO

Accused of illicit drug use

Investigation announced: July 21, 2017

Days since: 759 days

To investigate Puliafito, the disgraced former medical school dean, the university hired Debra Wong Yang, who is a former US Attorney and a partner at the law firm Gibson, Dunn & Crutcher.

Yang, a former adjunct professor at USC's Gould School of Law, had defended the university in other high-profile cases. Now, her job would now be to investigate the institution that previously paid her to represent it. Questions of conflict of interest arose immediately. Yang declined to comment for this article.

In a letter to the USC community announcing the investigation, then-President C. L. Max Nikias stated that its findings, along with recommendations on how to proceed, would be made to the Executive Committee of the Board of Trustees. Caruso, for his part, told the student publication USC Annenberg Media that as much of the report as possible would be made public.

Since then, the Chronicle of Higher Education revealed that the university paid Puliafito \$999,000 in severance and a bonus, which sparked a new round of questioning over how USC had handled the matter. Puliafito, who has claimed he suffered from bipolar disorder, had his medical license revoked by the Medical Board of California.

Today, more than two years after the internal investigation was announced, USC has released no information about what the report found. Even within USC's top ranks, very few people know the findings. The board of trustees never received a written report, according to Greif, interviewed for this story. Instead, lawyers from Gibson, Dunn & Crutcher verbally briefed the board, as well as the executive committee of the Academic Senate.

It is not clear that there even is a document to share with the public. Blanton told the Beacon Project that he was "unaware of any written report."

"Personally, I had always wanted to see a written report that lays out all the details," said Paul Rosenbloom, the for-

mer president of the academic senate. He was among the few who was briefed by the law firm but said, "We did not get a lot of details in there."

FORMER STUDENT HEALTH CENTER GYNECOLOGIST GEORGE TYNDALL

Accused of sexual abuse by hundreds of women

Investigation announced: May 31, 2018

Days since: 445 days

In May of last year, the LA Times published an exposé of George Tyndall, a former campus gynecologist who had been accused of sexually molesting USC students during his decades at the student health center. Despite extensive documentation of serious allegations against Tyndall, USC had not fired him or reported him to law enforcement or medical authorities. Instead, it had let him resign quietly — with a payout. Tyndall has since been criminally charged with sexual assault; he has pleaded not guilty.

Two weeks after the Times story broke, Caruso was elected chair of USC's Board of Trustees. His first act was to appoint the law firm O'Melveny & Myers to conduct a "comprehensive" and "transparent" investigation into Tyndall's conduct and the clinic's reporting failures. Caruso set a goal of finishing the investigation by the time students returned that August. The attorneys in charge of the probe — Apalla Chopra and Steve Olson — did not respond to requests for comment, and a USC spokesperson said they would not comment as their work is privileged and confi-



A man walks past a sign at the edge of the University of Southern California campus in Los Angeles. (Andrew Cullen for LAist)

dential.

In June 2018, USC Annenberg Media asked Caruso if the Tyndall report would be made public. Patient privacy would need to be protected, he said, but "other than that, yes."

In August 2018, Caruso provided an update, saying that the law firm had "interviewed over 100 witnesses and collected 4.5 million documents." However, he said, "more work needs to be done" and promised "more to say on their work in the coming weeks."

Nine months later, in April 2019, Caruso told the LA Times that the investigation was still not complete, but said, "My intent and promise was that the board and university would be transparent and I plan on living up to that promise."

Today, Caruso is less clear. He did not answer specific questions about the Tyndall investigation, nor did he repeat his earlier promises to release as much of it as possible. Instead, in his brief statement he stressed the need to "balance" transparency against privacy and "the concerns of outside investigations and litigation..

As lawsuits over the Tyndall affair have moved forward, USC argued in court to keep secret internal records that could show what it knew about Tyndall and how it responded. But this May, U.S. District Judge Stephen V. Wilson ruled against USC and ordered the university to release a trove of documents related to Tyndall.

Those documents contained a report that USC itself had commissioned on the gynecologist *before* he left university. The damning report detailed sweeping allegations that Tyndall had engaged in "unprofessional, inappropriate, and/or unusual" behavior, including keeping photographs of female students' genitals, inserting his fingers into patients' vaginas during exams, and commenting that his patients' breasts were "perky" or their pelvic muscles "tight."

Despite this and other evidence of misconduct by Tyndall, USC not only let the doctor resign, the university also did not report him to medical authorities for about a year and a half. USC reported the doctor only when the Los Angeles Times was nearing publication of its story about Tyndall.

Among many other questions, the O'Melveny & Myers' report could reveal which USC officials knew about the allegations against Tyndall, yet went ahead and authorized the doctor's quiet resignation.

FORMER BASKETBALL COACH TONY BLAND

Pleaded guilty to conspiracy to commit bribery

Investigation announced: Sept. 26, 2017

Days since: 692 day

In September 2017, former men's assistant basketball coach Tony Bland was arrested by the FBI for conspiracy to commit bribery. The FBI alleged that Bland was bribed by a sports manager and a financial advisor to direct USC basketball players to hire them when the players went pro. Bland has since pleaded guilty.

Athletic Director Lynn Swann and Blanton, who at the time was the vice president of USC's Office of Athletic Compliance, immediately issued a statement expressing shock at the allegations and stating that the coach had been placed on administrative leave.

Blanton then announced that the university had hired former FBI director Louis J. Freeh and his firm, Freeh Group International Solutions, to work with the compliance office to conduct an internal investigation.



A student wearing a USC sweatshirt over his shoulders walks on the University of Southern California in Los Angeles, California on May 17, 2018. (Robyn Beck/AFP/Getty Images)

It was a well-regarded choice. In November 2012, Penn State hired Freeh and his company to investigate the child-abuse allegations against former assistant football coach Jerry Sandusky. After a nearly 8-month long investigation, the Freeh Group released its Sandusky findings in a 267-page report.

USC did not say what, if anything, would be made public from the investigation into its basketball coach. But five months after the investigation into Bland was announced, Swann told the Southern California News group that the probe had been completed and had found no evidence of wider corruption or neglect. Bland alone was responsible: "What you had, at the end of the day, was someone who was operating outside those boundaries" set by the university, Swann said.

No written report was ever made public.

In his interview for this article, Blanton said that "the Freeh Group wasn't asked to prepare a written report." Instead, he said, the group was hired to assist USC with "an investigation to determine whether the allegations against Tony Bland were confined to Tony or did they go beyond." In a statement, the Freeh Group said that it "augmented the USC investigative team" and "did not do an independent investigation or report."

USC has never made public a full accounting of the investigation into the Bland affair. But despite enlisting a former FBI director to investigate bribery within the athletics department, the probe apparently missed the massive college admissions scam in which USC coaches and athletics department officials allegedly took bribes to help wealthy families get their children admitted as athletes. The reason, Blanton said, was that it was outside the scope of the Bland investigation.

MARSHALL SCHOOL OF BUSINESS

Roiled by the dismissal of its dean, Jim Ellis

Investigation announced: Unclear. The Los Angeles Times reported its existence on Dec. 4, 2018

Days since: 258

One of interim president Austin's most controversial decisions was to remove the dean of USC's Marshall School of Business, Jim Ellis, in December 2018, three years before his term expired. More than 4,000 people have signed a Change.org petition calling for his reinstatement, and the school's Board of Leaders, an advisory body comprising powerful business people, has called new president Folt to apologize to Ellis.

More than eight months after Ellis was dismissed, it's not clear why he was let go — and the university's refusal to say has left a cloud over the school.

Austin has said only that Ellis was dismissed due to a "personnel matter," but the LA Times reported that it was because of a history of sexual harassment and discrimination claims against Marshall faculty and staff and Ellis' response to those claims.



A man runs on a track on the University of Southern California campus in Los Angeles. (Andrew Cullen for LAist)

Ellis's dismissal was made following a report by the law firm Cooley LLP and an outside human resources consultant into claims of sexual harassment and discrimination at the Marshall School of Business. Almost no one has been allowed to see the report. One person who did, Ming Hsieh, a member of the board of trustees and an Ellis supporter, said that the report found no pattern of discrimination and did not recommend firing Ellis. But with the Cooley report kept secret, the larger Marshall community does not know for sure whether it found problems at the school for women and people of color.

When asked about that report, Blanton told the Beacon Project that he had seen it but due to personnel privacy laws he could not say anything about it. Cooley did not respond to a request for comment.

Asked to confirm that there was a pattern of sexual harassment and workplace complaints filed during Dean Ellis' tenure and whether or not that was the reason he was dismissed, Blanton said "I can't confirm or deny any of that, that would be getting into things that I'm not even permitted to talk about"

COLLEGE ADMISSIONS BRIBERY SCANDAL

Investigation Announced: March 14, 2019

Days Since: 158

In March 2019, federal prosecutors charged dozens of people with participating in a bribery and cheating scandal to get unqualified students into elite colleges, including Stanford, Yale, UCLA and USC. Those charged included actors Lori Loughlin, who has pleaded not guilty, and Felicity Huffman, who pleaded guilty to conspiracy and fraud.

USC, which was already battered by years of scandals, was at the center of the case, code-named "Operation Varsity Blues" by the FBI. More students allegedly used the scheme to get into USC than into any other college. Four USC staffers or former staffers were charged, including senior athletic director Donna Heinel and water polo coach Jovan Vavic. No other school had more than one employee charged.

Austin, then the university's interim president, said that USC was the unwitting victim in the scheme. But even as the university said it would cooperate with the FBI's continuing probe, USC also announced that it was initiating its own internal investigation.

Blanton said that USC's Office of Professionalism and Ethics was conducting the university's internal investigation, with outside assistance. Asked who was assisting, Blanton declined to say: "I'd prefer not to. I don't think it's been reported. I think one day you will find out."

Blanton also said he couldn't answer what the university's internal probe has found. "We continue to cooperate with the United States government's ongoing investigation. So beyond that, I'm constrained."