

## For USC, Salt in the Wounds

Students, alumni and faculty worry University of Southern California's attempts to move past scandals have been sidetracked by the recent admissions fraud and bribery case. Some wonder if the university's image will be permanently sullied.

By [Marjorie Valbrun](#) // March 26, 2019

After a series of embarrassing scandals and divisive controversies [1] at the University of Southern California [2] over the past two years, students, alumni and faculty hoped 2019 would be different.

It's not.

The university is deeply enmeshed in a national college admissions scandal [3] involving various pay-to-play schemes in which rich parents paid hefty bribes to get their children into some of the nation's top colleges. USC students were implicated in the fraud and bribery scheme more than were students at any of the other colleges. And one of the USC students was among those most widely mocked for an apparent lack of interest in studying [4].

Instead of turning the tide of bad publicity and banner



USC campus

headlines, the university has only drawn more critical scrutiny.

Many USC students, alumni and influential benefactors are deeply disappointed and angry about the latest turn of events and are highly critical of the administration under whose watch the bribery apparently occurred undetected. They are particularly annoyed that USC administrators are again scrambling to contain a public relations debacle instead of focusing on restoring the reputational luster already lost as a result of the past incidents [5].

Although the hiring of a new president was announced [6] last week, raising hopes that a change in leadership might help steer the campus onto a path of positive change, the university's critics are debating the long-term implications of the collective scandals. They're also wondering whether the image of the institution will be permanently sullied along with the standing of current students, the graduating Class of 2019, and alumni.

"I was totally embarrassed," said Calvin Carmichael, a freshman at USC. "I know



how hard I worked to get into the school. Before people would say, 'Wow, you go to USC -- you must be so smart.' Now I'm not sure what they'll say."

They might say something along the lines of: How much did you pay to get in?

Greg Autry said he was asked that very question at a recent conference, even though he's not a USC student. He's an assistant professor of clinical entrepreneurship in USC's business school but was nonetheless the subject "of a constant barrage of admission jokes" during the conference.

He said variations of jokes about bribing one's way into USC were "the second thing out of people's mouths after they said hello and saw the name of my institution. They questioned the quality of faculty along with that of students."

Autry took the ribbing in stride, but he believes what's happening at USC is no

laughing matter. When the charges and arrests related to the admissions buying were announced earlier this month after a yearlong investigation by the U.S. Department of Justice, he was immediately dismayed. He dreaded the thought of more unseemly headlines about USC after widespread media coverage of revelations of sexual assault allegations [7] against a campus gynecologist and charges [8] of drug abuse by the medical school's now former dean.

"I thought, oh no, not again," he said.

The admissions investigation led to the arrests of 50 people, including athletics coaches at USC and five other selective institutions who allegedly took bribes in exchange for granting spots on various sports teams to students who did not play those particular sports. The students' parents and several college entrance exam administrators were also arrested and charged.

The university's top administrators have not responded to requests for comment, but Wanda Austin, USC's interim president, has issued several written statements [9] outlining the university's cooperation with law enforcement authorities [10] and actions taken [11] in the wake of the Justice Department announcement [12] of the indictments and arrests.

"We have planned significant remedial efforts," she said in a statement issued on March 12, hours after the Justice Department announcement. "We will take all appropriate employment actions. We will review admissions decisions. We are identifying all funds received that may be connected to the government's allegations. And we will be implementing significant process and training enhancements to prevent anything like this from ever happening again."

Austin also announced the firing of two employees, including Donna Heinel, the senior associate athletic director who was among five current or former USC coaches charged with racketeering conspiracy as part of the Justice Department probe. She also said a tenured faculty member named in the federal indictment as a parent would be placed on leave while the university takes "a required procedural step in the process for terminating tenured faculty." The faculty member is Homayoun Zadeh, an associate professor of dentistry who received his doctorate of dental surgery from USC in 1987. According to the Justice Department's affidavit [13], Zadeh and his wife refinanced their home in order to pay a \$100,000 bribe to the athletic director to have their daughter designated as a recruit for USC's lacrosse team, "despite the fact that

she did not play lacrosse competitively -- thereby facilitating her admission to USC."

"More employment actions may be possible as new facts come to light," Austin said in another statement.

Autry said the culmination of various scandals within a relatively short time period -- "It seems like a scandal du jour, or one every six months," he said. -- contributed to an overall unflattering perception of USC.

"There's a sense of institutional corruption, and that's not wrong," he said. "There's a severe cultural problem going on that you can't deny."

He's worried the perceptions may become reality and hurt faculty recruiting, "which had been on the upswing."

Paul Kaster, a sophomore at USC, agrees.

"It impacts USC's reputation for sure," Kaster said. "Its reputation is important for recruiting faculty and students and for the value of your degree later, especially when you're looking for a job."

Students who were considering applying "might see the university as less prestigious," he said.

Still, as disappointing as it was for Kaster to learn that 12 students were accepted at USC through admission fraud, he said it was such a small portion of the near-

ly 20,000 undergraduates enrolled [14] that the impact on campus and on the larger student body is almost negligible.

There's also the notion that even bad publicity can sometimes result in positive attention.

"I actually hear more about the scandal from people who aren't at USC," Kaster said. "It's kind of good to know that someone is willing to pay a million dollars to attend USC. I've actually been offered money to take the ACT test for others, but I declined. I feel honored to be in the company of Yale and Stanford, and being among that caliber of school can also improve USC's reputation." (Although USC has become increasingly competitive and selective in recent decades, it is still not as selective as Yale or Stanford Universities, other institutions where parents tried to rig the admissions process. According to federal data on College Navigator, a database of the National Center for Education Statistics, USC accepted 16 percent of 56,676 applicants for its fall 2017 freshman class [15], while Yale and Stanford accepted just 7 and 5 percent respectively. Yale and Stanford students also scored higher on college entrance exams such as the SAT and ACT, and they graduated from those institutions at higher rates, according to the U.S. Department of Edu-

cation's College Scorecard [16].)

It's obviously impossible for anyone to predict what will happen over time, especially given the fast pace of news cycles and the short attention span of the general public.

"Reputational damage is not forever anymore," said Margaret Dunning, managing partner at Finn Partners, a global marketing and communications firm. "There are a few exceptions, but it's hard to predict what they are."

Still, some USC alumni remember the university's less heady days, when it was known for being "a party school" with a great football team and less than rigorous academics. USC was not nearly as selective back then, and the competition to get in was not so intense. People joked that USC actually stood for "University for Spoiled Children."

No one wants a return of that image, but the involvement of the children of wealthy movie stars and hedge fund managers [17] in the admissions scandal only reinforces that impression. These students have become the focal point of public ire and are seen as the embodiment of spoiled and entitled young people who gained entrée to USC by dint of their parents' money and influence.

The students and their parents are the source of intense

social media attention and derision because they are viewed as unworthy of enrollment spots that might have gone to more deserving students. Many current students and alumni were upset and offended by the YouTube video of [4] Olivia Jade Giannulli, a so-called social influencer with two million followers, casually discussing wanting to experience college “game days and partying” but not academics.

“I don’t really care about school,” she said.

It made matters worse when it became public that Giannulli, whose famous parents, the actress Lori Loughlin and the fashion designer Mossimo Giannulli, were implicated in the admissions buying scheme, was enjoying spring break in the Bahamas with other wealthy classmates aboard a yacht owned by Rick Caruso, the controversial chairman of USC’s Board of Trustees.

Lloyd Greif, a 1979 graduate of the USC Marshall School of Business and a member of its Board of Leaders [18] advisory group, was among those offended.

“I’m a native of Los Angeles, and I’m very aware of what USC’s reputation was and what caused it to change and made it what it is today,” he said.

Like many other alumni, Greif credits Steven B. Sample, the

institution’s 10th president. USC grew fast, amassed lots of money and raised its academic standing under Sample’s leadership [19] from 1991 to 2010.

“That’s when the University of Spoiled Children name sank and went away,” Greif said. “So to have it come back now is distressing to alumni who lived through the metamorphosis.”

Sample, who died in 2016 [20], was widely praised for transforming USC into a leading research university. During his tenure, USC “recruited some of the most academically talented freshman classes in the country, more than doubled sponsored research to \$430 million a year, and completed two comprehensive, universitywide strategic planning processes designed to take USC to new levels of academic excellence,” according to the university. “It also mounted the most successful fund-raising campaign, raising \$2.85 billion and becoming the only university to receive four separate nine-figure gifts in one campaign.”

Greif fears that the admissions scandal will undermine all the progress made. He thinks one way to prevent that from happening is for heads to roll “not only at the top of the athletic department ... but also at the very top of the university itself.”

He’s not alone in wanting change.

“There are a lot of us that came up the hard way and not with this who you know, who paid what stuff. We had no such connections,” said Robert L. Rodriguez, former CEO of First Pacific Advisors Inc. and now Partner Emeritus. He earned his bachelor’s and master’s degrees from the business school and is a USC donor.

“To have a vacuous individual like her take a spot from a hardworking applicant who really wants to learn is reprehensible,” he said in reference to Olivia Jade Giannulli.

“When I served on the Board of Leaders several years ago, there were members whose kids did not get in at USC. The kids getting in today have scores that are qualitatively equal to kids getting in at Stanford University. That was not the case 20 years ago. I look at how far the school has come, and when I see the things that drag down the school, it’s very heart-wrenching. Hopefully the whole school will not be condemned just because of the individual bad apples and bad actors.”

According to the Association of Independent California Colleges and Universities, which represents 83 private, nonprofit college and universities, the concerns about USC’s image are unwarranted.

“The recent college admissions scandal should have no effect on the reputations of the universities involved,” the organization said in a prepared statement. “The affected AICCU institutions are cooperating fully with the United States Department of Justice, as well as conducting internal reviews to ensure all appropriate responses and campus actions are taken. These were illegal actions committed by individuals at institutions -- not by the institutions themselves -- and do not reflect the mission, vision and values of our member institutions.”

Most people will not likely see things that way, however, and will consider the actions of the individuals involved as representative of the universities that employed them.

Any talk of USC's mission and values seem to be overshadowed by the bad publicity. On social media, the focus is on a campus bursting with students from rich families.

The median family income of a USC student is \$161,400 (compared to \$62,175 for the average American family), and 63 percent are from families with incomes in the top 20 percent of the income scale, according to data [21] from the Equality of Opportunity Project launched by Harvard University economist Raj Chetty with The New York Times. Fourteen percent of USC students

are from families who earned \$630,000 or more per year, the top 1 percent of the income scale.

“I think it would be a great shame for people to believe that it should permanently damage a very fine institution such as USC,” said Mary Sue Coleman, president of the Association of American Universities, which represents leading research universities, including USC.

Coleman, who was president of the University of Michigan for 12 years and president of the University of Iowa for seven, believes Interim President Austin and other USC leaders “understand the gravity of the situation and the need to investigate and root out the problems and do the right things to regain the public trust.”

Austin has indicated that USC leaders appreciate the seriousness of the scandal and what's at stake for USC.

“We will do all that is necessary to continue to strengthen our culture and to restore trust within our community,” she said in a statement. “Moving forward, we will take all necessary steps to safeguard the integrity of our admissions process and to ensure we conduct ourselves with integrity and ethics consistent with our values.”

Coleman said it's important for all the institutions implicated in the admission fraud

“and all of higher ed to live up to the principles that we say we have for our institutions, especially in an era when there is a lot of mistrust that our admissions policies are fair and equitable.”

Greif, who funded the Lloyd Greif Center for Entrepreneurial Studies [22] at USC's business school, said procedures should have been put in place to prevent or at least detect the bribery and corruption at the heart of the admission scheme.

“How is it that no one at the university was tracking athletic department admissions against athletic engagement post admission?” he asked. “This multiyear misconduct that escaped notice is clear evidence that governance is lacking and that the problems need to be addressed by the Board of Trustees and need to be done right now,” he said. “There's a critical need for a president to be put in place, and that person needs to come in and clean house.”

“This board needs to function like a board that actually oversees the management of the institution and demands accountability of that management, and make changes when changes are necessary. It needs to be more hands-on, more engaged and more involved, and it needs to enforce consequences when it's clear there are issues that require remediation.”

Erin Hennessy, vice president of TVP Communications and a former admissions counselor and chief of staff to two college presidents, said even though USC may be unique in the numbers of recent scandals it has had, the problems and challenges posed by the admission fraud case are common to all the universities involved, and they're all searching for the best ways to address them.

"Speaking broadly about what I have seen ... all of the institutions that have been named in the indictment have positioned themselves as victims" of the individual at the center of the scandal, she said referring to William (Rick) Singer, who was identified by the Justice Department as the ringleader of the fraud and bribery conspiracy. "And I think that's the right move."

"Longer term, all institutions need to think about how this has resurfaced perceptions that wealthy children are treated differently in the admissions process. People think they're not getting a fair shake," she said.

Kaster, the USC sophomore, echoed those sentiments.

"For some people it reinforces speculation that the system is rigged," he said. "But I also know that USC is very selective and hard to get into. I think ambiguity confuses and scares a lot of people.

There's a lot of variation in the process; it's hard to know exactly what to do to get in -- there's no one formula."

He noted, for instance, that he was denied admission by the University of Michigan but was offered a full scholarship by USC and Vanderbilt University.

Hennessy said the universities should be communicating with internal and external audiences "to reassure them about the integrity of their admissions process and that everyone can be treated fairly based on the institutions' admissions criteria and the students' academics abilities."

She said college enrollment and admissions officials should also be explaining how the admissions process works and how transparent they are about the process

"It's incumbent on enrollment management professionals to be clear about how they evaluate students and how they go about building a class," she said.

Despite the widespread negative publicity about the scandal and the loss of goodwill the colleges will have to work hard to rebuild, Hennessy said the damage to their reputations won't last.

"The universities' reputations are going to be fine and students are still going to clamor to get in in record numbers," she said. "Long term it's still going to be really hard to get

into Stanford next year."

Dunning, of Finn Partners, said the focus on the prestige and image of certain colleges misses an important point.

"The vast majority of American students don't go to elite institutions and they still do well, and we need to remember that," she said. "You can get an incredible education at institutions that are neither Ivy League nor tier one."

"We need to take a deep breath and stop the emphasis on elitism and focus on why higher ed institutions were created. The most important thing that you're there for is an education, and we've lost sight of that. There needs to be a resetting on a variety of levels, and this latest scandal is just a reminder of that."