



October 18, 2019

## **Preliminary Findings of the Internal Review of the Robert H. Smith School of Business Foundation**

### **Summary**

An Internal Review was initiated by the University of Maryland's ("University") Office of General Counsel, Office of the Provost, Division of Research, Division of Administration and Finance, and Office of the President to examine potential contractual and accounting irregularities at the Robert H. Smith School of Business Foundation ("the SSF"). This report of preliminary findings outlines the review to-date and the subsequent actions the University has taken to address these matters. The University has engaged the University System of Maryland's ("USM") Office of Internal Audit to broaden the scope of the review.

### **Background**

The SSF is a foundation created in 1973 and has been affiliated with the University as far back as 1997. The SSF is required to operate pursuant to USM policies. Additionally, the SSF has a board of directors but is otherwise entirely reliant on the University for personnel and facilities to support its work. The purpose of the SSF is to aid and promote education, service and research for business, industry, government, and nonprofit organizations at or through the Robert H. Smith School of Business ("Smith School").

The SSF is party to an Affiliation Agreement ("Agreement") with the University, which sets forth distinctions between the University and the SSF as required by USM policy, which states that affiliated foundations must clearly identify and make separate and distinct the foundation operations from University operations. In violation of both the Agreement and USM policy, a small number of Smith School personnel acting on behalf of the SSF inappropriately executed certifications and representations, and entered into federal contracts for the Smith School's executive education program using the University's name over a period of years. Proposals were submitted and awards were accepted outside University prescribed procedures, which circumvented the Office of Research Administration, the only authorized unit within the University holding such delegated authority. Three such contracts remain active. The University began an internal review of the matter after a Smith School alum raised questions about one of the existing contracts.

### **Initial Findings**

The University's internal review revealed that a small number of Smith School personnel acting on behalf of the SSF, including the immediate past dean, signed documents they were not