



September 14, 2021

Memorandum of Internal Investigation (via e-mail only)

To: William Tate IV, President

From: Chad Brackin, Chief Auditor 

Re: Investigation of Alleged Conflicts of Interest, Favoritism, Nepotism, and Retaliation by LSUHSC-NO Administration

Initiation of the Investigation

The LSU Office of Internal Audit received multiple anonymous and named reports through the LSU Ethics, Integrity and Misconduct Helpline alleging that numerous incidents of conflict of interest, favoritism, nepotism, and retaliation were present in the searches for LSU Health Sciences Center in New Orleans (LSUHSC-NO) positions of Chief of Staff, Vice Chancellor for Administration & Finance, Director of Human Resources Management, Dean of Dentistry, and Assistant Vice Chancellor for Academic Affairs. Reports also alleged that the LSUHSC-NO Chancellor preselected individuals for each position. A preliminary review was conducted, after which, it was determined that further investigation was warranted. During the investigation, multiple related reports, including several compensation-related complaints were received, and those were incorporated into our review.

Background

The LSU Health Sciences Center in New Orleans (LSUHSC-NO), like all LSU institutions, operates within a governance framework based on authority granted by the LSU Board of Supervisors (Board). For those actions that the Board does not reserve approval authority, it delegates authority to the LSU President (President) through its Bylaws and Regulations. The President delegates authority for specific actions to chancellors and other institution heads and establishes policy in the form of Permanent Memoranda (PM). Permanent Memoranda generally set forth broad policy guidelines to achieve strategic institutional goals, including compliance with significant federal and state laws and regulations. Chancellors and other institution heads are expected to establish operating policies and procedures to ensure compliance with PMs as well as to ensure that other institution-specific requirements are met.

Relevant Policy

For matters related to the subject of this investigation, the following Bylaws/Regulations, PMs, and LSUHSC-NO policies are relevant:

1. Board Bylaws, Article VII, Section 1, Paragraph K – *Matters Related to Personnel*
2. Board Regulations, Article II, Section 2 – *Personnel Actions*
3. Board Regulations, Article II, Section 5 – *Personnel Actions Requiring Board Approval*

4. Permanent Memorandum 69 – *Delegation of Authority to Execute Personnel Actions*
5. Permanent Memorandum 55 – *Equal Opportunity Policy*
6. LSUHSC-NO Chancellor’s Memorandum 10 – *Equal Employment Opportunity Policy Statement*

LSUHSC-NO Leadership

Chancellor Larry Hollier leads LSUHSC-NO. Dr. Hollier has held the position of **Chancellor** since 2005, prior to which he served as the Dean of the School of Medicine. Chancellor Hollier’s executive leadership team includes the following individuals (see Appendix A for the current LSUHSC-NO organization chart):

- **Dr. Joseph Moerschbaeche, III** – served as **Vice Chancellor for Academic Affairs** from May 1983 – June 2021. Dr. Demetrius Porche has since been appointed to serve in an interim capacity.
- **Mr. Keith Schroth** – newly appointed as the **Vice Chancellor for Administration and Finance** after serving in that position in an interim capacity. Mr. Schroth previously served in multiple roles in the School of Medicine.
- **Dr. J. Chris Winters** – currently serves as the **Vice Chancellor for Clinical Affairs**.
- **Mr. Edwin Murray** – currently serves as the **Vice Chancellor for Community Affairs**.
- **Dr. Timothy Fair** – newly appointed as the **Vice Chancellor for Diversity and Inclusion**. Dr. Fair served at another institution before joining LSUHSC-NO.
- **Mr. Louis Colletta** – newly appointed as the **Chief of Staff**. Mr. Colletta previously served as an attorney with the LSU Office of General Counsel assigned to LSUHSC-NO.
- Schools within LSUHSC-NO are led by deans, including **Dr. Robert Laughlin**, who is newly appointed as **Dean for the School of Dentistry** after serving in an interim capacity.

High Employee Turnover: HRM and VCAF

Of 25 available positions, the Office of Human Resource Management is currently operating with a permanent staff of 18. A recent attrition report (Appendix B) going back to May of 2011 (10 years) indicated HRM had lost 31 employees. Over half (17, 52%) of those employees were lost within the last three years, with the last two years experiencing the greatest of those losses (13, 42%).

Additionally, within those ten years, the Office of Human Resource Management has seen seven (7) different Directors. Higginson, appointed March 30, 2020, had been employed for less than one year before her suspension.

Similar turnover was also noted for the position of Vice Chancellor for Administration and Finance (VCAF) for the same period, having now seen five different Vice Chancellors, with the recent appointment of K. Schroth.

Other Background Information

Cori Higginson was employed with LSUHSC-NO from March 2020 to April 2021, serving as Interim Director and later Director of Human Resources Management during that time.

Jeremy Schroth has been employed with the LSUHSC-NO since April 2015 and currently serves as Editorial Consultant and Head of Creative Services & Marketing. J. Schroth is also the son of LSUHSC-NO VCAF Keith Schroth.

Frank Wasser has been employed with the LSUHSC-NO since February 2020 and currently serves as the Compliance Officer. Wasser was removed as the LSUHSC-NO Head of the Office of Compliance on May 10, 2021, and his subordinate, Lori Ferro, was promoted to LSUHSC-NO Director of Compliance supervising Wasser.

PeopleAdmin is the system used by LSUHSC-NO for hiring and onboarding new employees, managing positions and employee performance, etc. The system is used to post and advertise open positions and manage the application process, including pre-screening applicants through qualifying questions, based upon minimum criteria, and receiving applicant resumes and related documentation.

Findings

Based on interviews, documents reviewed, and observations performed, we have established the following facts regarding allegations pertaining to the activities reviewed at LSUHSC-NO.

Financial and personnel activities undertaken by the administration detailed in this report appeared to have been significantly affected by changes in policy. A review of the relevant policies referenced as items 1 through 4 above, as they relate to the matters at hand in this review, indicated that broad authority to execute personnel actions has been delegated to chancellors and institution heads. Multiple revisions to Board policy and PM-69: *Delegation of Authority to Execute Personnel Actions* since 2014 have resulted in minimal requirements for Board or Presidential approval. Revisions of PM-69, alone, resulted in the removal of approximately 11 pages of guidance, including the Uniform Personnel Policy. Human Resources Management Office (HRM) employees have since reported being told by the LSUHSC-NO administration repeatedly that PM-69 gave them “carte blanche” authority for personnel actions. The University does not have a comprehensive compensation policy. The combination of the broad authority granted to the Chancellor and the lack of a comprehensive compensation policy was cited by multiple employees in the HRM at LSUHSC-NO, including the Director, as the most significant impediment to their ability to exercise meaningful control over personnel actions.

Our review also indicated a general aversion to oversight by the Baton Rouge campus (President and Board of Supervisors) and LSUHSC-NO Administration’s apparent structuring of actions to avoid it. The findings presented in this report (summarized below) appear to demonstrate that belief.

- LSUHSC-NO Chancellor’s Memorandum (CM) 10 materially fails to meet the minimum requirements of Permanent Memorandum (PM) 55.

- The process used to conduct recent employment-related searches lacked the integrity necessary to maintain stakeholder confidence and to assure compliance with policy.
- The sole candidate for Chief of Staff, Louis Colletta, was allowed to exert significant influence over the position's creation, development, and advertisement.
- Additional compensation was used by Administration to provide long-term enhancement of Keith Schroth's base salary, in part, to avoid additional oversight and in violation of University policy.
- Chancellor Hollier drafted a memo to himself, based in part with information provided by Keith Schroth, Jeremy Schroth's father, to create the appearance that Jeremy's direct supervisor recommended additional compensation for him when, in fact, Hollier initiated the proposed action.
- VCAF Keith Schroth attempted to influence the advancement of his son, Jeremy Schroth.
- LSUHSC-NO Administration failed to timely approve additional compensation valued at nearly \$6,000 for Melissa Eckroth for additional duties performed. These duties were ultimately recognized as outside the scope of her normal duties and compensable.
- Minimum required qualifications for two position searches were revised during the search process so candidates who did not meet the initial minimum required qualifications could be hired.
- Chancellor Hollier terminated the Former VCAF and two Co-Interim HRM Directors without a proper investigation, mainly based upon limited information from Higginson, who was vying for higher position at the time
- Reports of retaliation.
- Allegations indicating Robert Laughlin did not meet the minimum requirements for appointment to Dean of Dentistry were unsubstantiated.

1. **LSUHSC-NO Chancellor's Memorandum (CM) 10 materially fails to meet the minimum requirements of Permanent Memorandum (PM) 55.**

Relevant Policy items 5 and 6 above represent the equal employment opportunity policy of the University and LSUHSC-NO, respectively. The purpose of these policies is to provide equal opportunity for all qualified persons in admission to, participation in, or employment in the programs and activities of the University while prohibiting discrimination based on race, creed, color, marital status, sexual orientation, religion, sex, national origin, age, mental or physical disability, or veteran's status. Regarding the recruitment process, PM-55 specifically provides the following guidance:

- "The recruitment process shall be conducted in a manner consistent with the goal to attract a diverse pool of applicants." – Section III(A)(2)
- "The use of search committees is encouraged, particularly for regular fulltime faculty and professional vacancies." – Section III(A)(5)

LSUHSC-NO CM-10 also states, “The execution of this policy requires vigorous efforts to identify and attract qualified applicants from groups underutilized at all levels in the Health Sciences Center.”

However, CM-10, LSUHSC-NO’s EEO policy, materially fails to meet minimum requirements set forth in PM-55 for EEO policies to be adopted by each campus. For example, CM-10 fails to include a statement prohibiting retaliation related to an individual who makes a claim of discrimination or for participating in an investigation of such a claim. Additionally, CM-10 fails to address general recruiting and hiring guidelines required by PM-55. These include items related to the advertisement of positions and development of selective criteria, goals of the recruitment process, the use of search committees, etc.

It should be noted that PM-55 recommends but does not require a search committee in all cases. However, if a search committee is used, it should be conducted in a meaningful manner consistent with the stated goals of diversity and equal employment opportunity. Campus policy should reflect this.

2. The process used to conduct recent employment-related searches lacked the integrity necessary to maintain stakeholder confidence and to assure compliance with policy.

Credible complaints were received regarding five recent searches for executive/high-level positions, including: Vice Chancellor for Administration and Finance (1), Director of Human Resources Management (HRM) (2), Chief of Staff (3), Dean of Dentistry (4), and Assistant Vice Chancellor for Academic Affairs. Details and analysis from our review of the process employed for the four primary (numbered) searches are presented below. However, the search for Assistant Vice Chancellor for Academic Affairs was abandoned without the position being filled and, therefore, was not subjected to further review. Additionally, relevant information from another recent search, Vice Chancellor for Diversity and Inclusion, is presented for comparison.

The search for Assistant Vice Chancellor for Academic Affairs ran (open and accepting applications) as scheduled from September 24, 2020 – October 7, 2020, and was open to “Internal applicants of HSCNO only.” The preliminary review indicated this search appeared to follow a similar path as the four primary (numbered) searches discussed below and appears to have had a candidate preselected. In interviews, Hollier acknowledged that he had already identified someone for the position, but the search was called off due to the impending retirement of the current Assistant Vice Chancellor for Academic Affairs. Hollier said the decision was made to hire a new Vice Chancellor for Academic Affairs and let them pick their assistant.

Internal Searches

Of the four search committees, two (Director of HRM and Chief of Staff) were restricted to internal candidates only. Both internal applicant searches produced a single qualifying candidate for each position. The internal searches appear to have been conducted to advance the Chancellor’s preselected candidates while creating the appearance of legitimacy.

- Chief of Staff (2) application period ran (open and accepting applications) as scheduled from September 30 – October 14, 2020, and was open only to internal LSUHSC-NO employees meeting very narrow qualification requirements, including possession of a terminal degree (MD, Ph.D., JD). Preference was to be given for licensure as a Louisiana Notary Public. As the only qualifying internal candidate, Colletta’s selection was announced by the Chancellor on the morning of Monday, October 19th, without the committee having met to discuss the candidate or provide a recommendation. Hollier directed the chair of the Chief of Staff search committee to provide him with a letter recommending Colletta after Hollier had announced Colletta’s appointment. On October 20th, the search committee chair provided only an acknowledgment that Colletta appeared to meet qualifications. However, two committee members said they expressed a desire for a deeper applicant pool and recommended extending/expanding the search to include external candidates. Official notification of appointment occurred on November 4, 2020. See finding number 3 below for additional information regarding the Chief of Staff position.
- Director of HRM (3) initially ran from September 4 – 18, 2020, the advertisement was reposted ten days after it became known that the sole candidate, Cori Higginson, the Interim Director of HRM, did not meet the stated minimum required qualifications. The position was reposted with the less stringent requirement, and the candidate was appointed on November 4, 2020.

During interviews, Chancellor Hollier said that, at the time, he didn’t see anyone else in the department who could have been put in the Director position for HRM. In fact, earlier communication between Higginson, Chancellor Hollier, K. Schroth, and Colletta on July 20, 2020, indicated that some assurances may have been given to Higginson on a prior occasion regarding her pay and title as Vice Chancellor or Director of HRM. In this communication, Higginson expressed her “concern for the lack of attention” to her status change and her “disappointment” that no offer had yet been given or discussed.

External Searches:

- Vice Chancellor for Administration & Finance (1) was open to external applicants and advertised locally only in The Advocate during its scheduled run from September 4 – 18, 2020. The search received six applicants and produced four candidates from which two top candidates were selected, including Interim Vice Chancellor for Administration and Finance Keith Schroth. The committee conditionally recommended Keith Schroth on October 10, and official notification of his appointment occurred on November 4, 2020.
- Dean of Dentistry (4), initially scheduled to run with advertisement only in The Advocate from September 14 – 28, 2020, was reposted 11 days later due to feedback received from faculty and committee members regarding concerns that the search as initially designed resulted in a relatively small pool of six applicants, two of which were internal, and would not be seen as credible. The search was extended for an additional 39 days, from October 9 – November 17, 2020, and external advertisement was expanded to include four additional national sources. The search produced an additional six

applicants for a total of twelve over the duration, including Interim Dean of Dentistry Robert Laughlin.

Dean of School of Medicine (SOM), Dr. Steve Nelson, who served as Search Committee Chair, acknowledged that he was brought into a search that got off on the wrong foot by beginning with an “anemic” search that only served to put faculty on edge. To remedy this, Nelson advised Hollier that both candidates be allowed to present to the Dental School faculty to give them a voice in the process. Search Committee Vice Chair, Louis Colletta, informed the Dean of SOM of Hollier’s consideration of the recommendation and determination that it was not necessary. The committee subsequently recommended both internal candidates as fully qualified on November 24, and official notification of Laughlin’s selection and appointment by the Chancellor occurred on November 25, 2020.

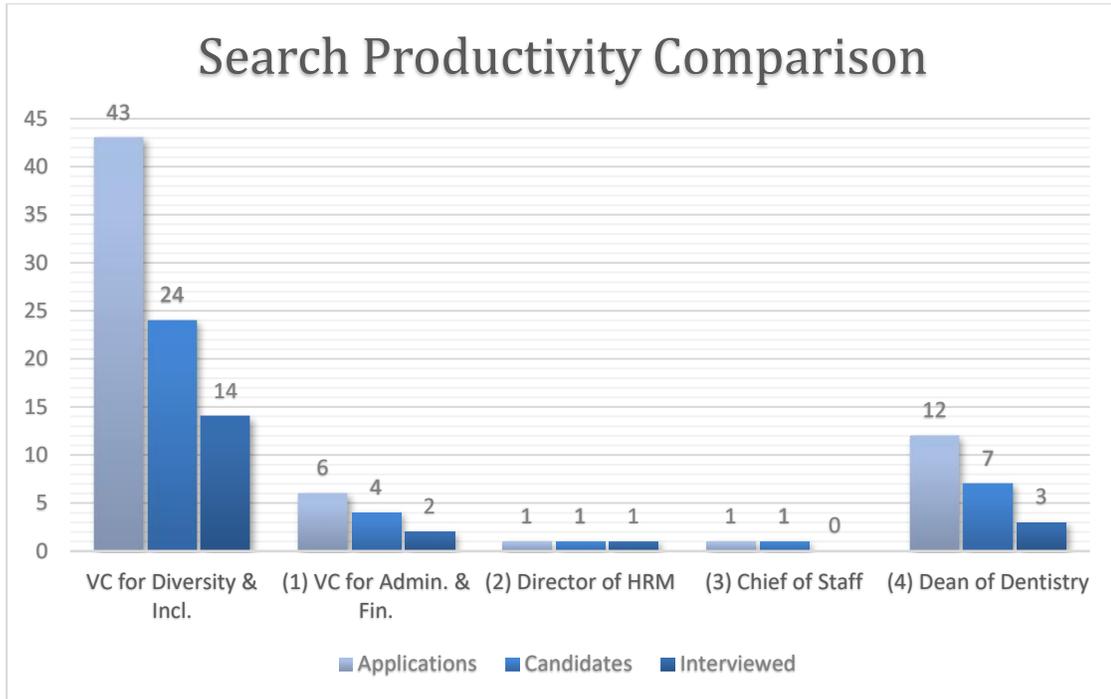
In contrast to these four searches, a very different process was used related to the search for the Vice Chancellor for Diversity and Inclusion, which was conducted during the same timeframe and resulted in an external candidate being selected. Vice Chancellor for Diversity & Inclusion ran as scheduled from June 26, 2020, to July 10, 2020, and was advertised in at least four local and national sources. The preliminary review indicated that the search appeared to have been adequately run and was not subjected to further review. In fact, during interviews, this search was generally acknowledged by both administration and staff as having been exceptionally well run, with at least one administrator and search committee member noting that it was a great example of how search committees were supposed to work. Therefore, relevant information has been provided here and illustrated in the charts below to serve as a comparison to the four searches at the center of our review.

The Search for Vice Chancellor for Diversity & Inclusion covered a period of approximately 140 days. The search received 43 applications and produced a pool of 24 candidates, including one internal candidate. After review, the committee selected 14 candidates for interviews and conducted them via Zoom during the period of August 10 – 25, 2020. On September 2, the committee met with the Chancellor and provided him with their recommendation of five top candidates for his consideration. Hollier selected three candidates from the committee’s top five to interview on campus, the last of which occurred on November 3, 2020. Hollier issued an official notification of the appointment on November 13, 2020.

It should also be noted that the search committee recommended and Hollier agreed that: “a) when on campus they [candidates] meet with stakeholders (Deans and Assistant/Associate Deans involved in Education and Diversity and representatives from student, faculty, and staff), b) they hold an informal lunch with the search committee members, c) they hold an open forum with the LSUHSC community.” The Dean of Dentistry Search Committee made similar recommendations, but those were rejected.

The charts below provide an illustration and comparison of pertinent search committee data discussed in the preceding sections. The *Search Productivity Comparison* chart below

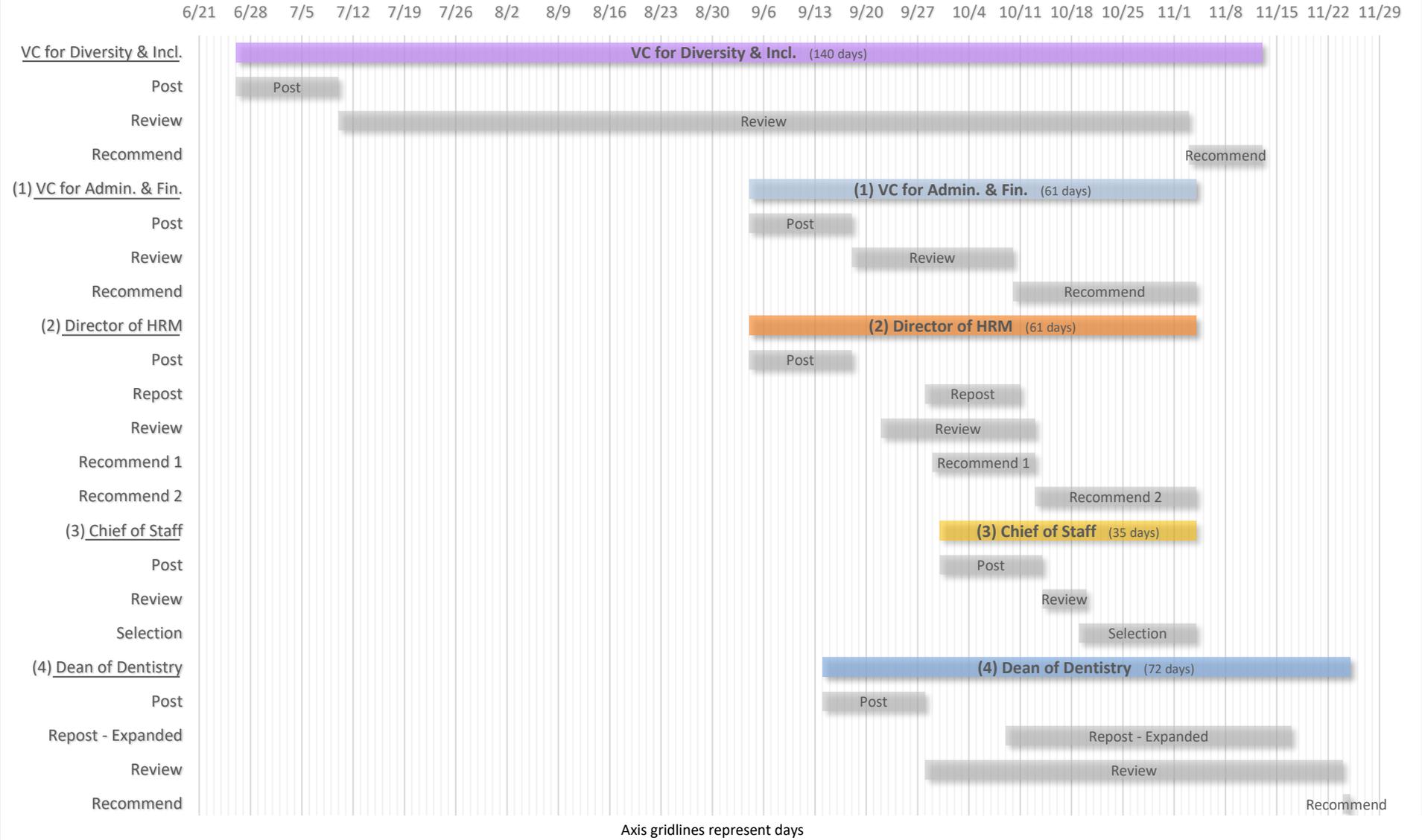
compares the numbers of applications received and candidates considered and interviewed by each search committee.



The *Search Committee Timelines* chart on the following page provides an overview of search activity for the four primary (numbered) searches compared to the search for Vice Chancellor for Diversity and Inclusion. The colored bars indicate the total timeframe for each named search (from date of open to formal appointment), with the subsequent bars indicating the period(s) covered during each search activity, including:

- *Post/Repost* – advertisement period(s) during which applications were accepted
- *Review* – period(s) during which applications were reviewed and candidates determined and interviewed by committees
- *Recommend* – period(s) when committee recommendations were sent to the Chancellor for consideration
- *Selection* – Chancellor Hollier selected one candidate prior to committee action to interview and submit a recommendation to the Chancellor

2020 Search Committee Timelines



Appearance of Conflicts of Interest:

Documentation gathered, and interviews with key personnel suggest actions taken by LSUHSC-NO administration in relation to the four primary searches referenced above served to limit the applicant pools. Additionally, the composition of the search committees which were proceeding concurrently was such that, in multiple cases, a candidate for one position served on a search committee for an individual who was a candidate for another position, and vice versa. This is further detailed below. These factors greatly enhanced the likelihood of selecting a preferred internal candidate and proved to be the ultimate outcome in each case.

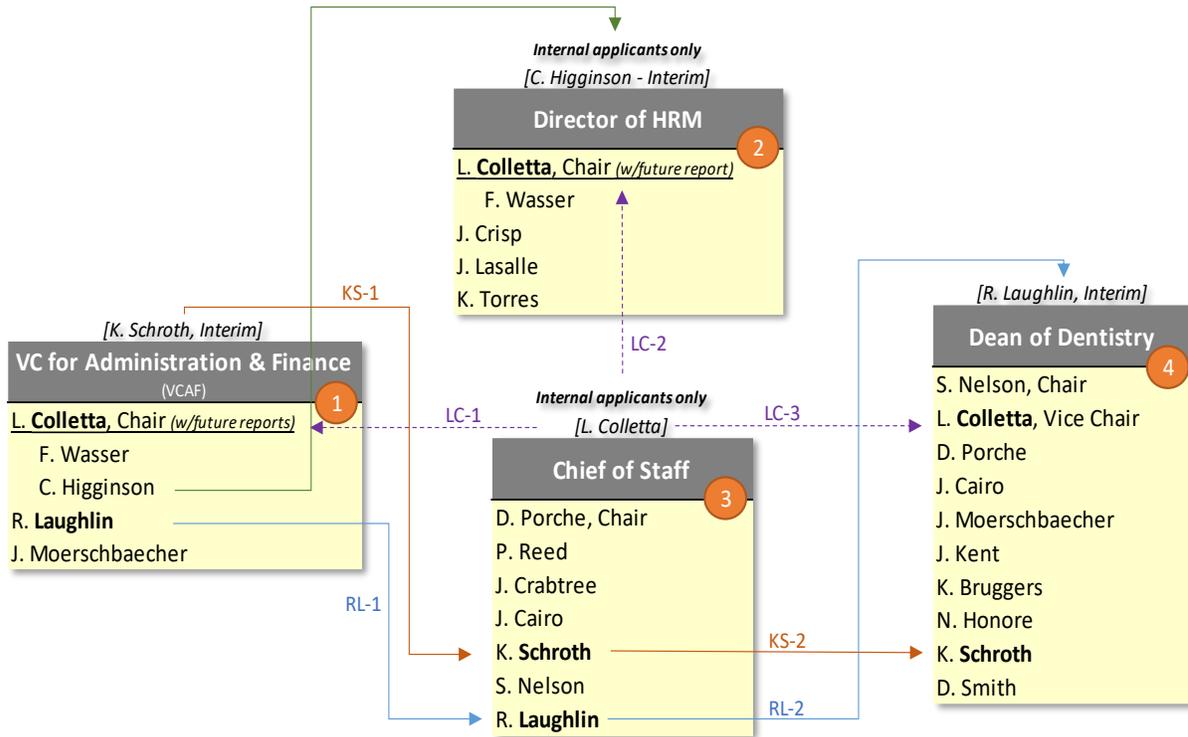
Committee recommendations favored all “internal” candidates, the majority of whom were already serving in interim positions and serving on each other’s committees, creating at least the appearance of conflicts of interest. See the chart below for a representation of the search committees’ composition.

Committee members interviewed believed Chancellor Hollier selected search committee members himself and acknowledged that the recommended candidates were widely considered to be his favorites. However, all noted that, of the candidates available to choose from, the top performing candidates were recommended by the committees. One committee member said they believed that the Chancellor set up these search committees to ensure the person he wanted was recommended.

Chancellor Hollier acknowledged that he set up the search committees and selected the members, but he also pointed out that he was not required to advertise or conduct a search. He said he could have just made the appointments, but he took the “extra step” to conduct the searches and have people “vetted.” Hollier said that, to him, the most important function of the search committee was “not for them pick an individual for me,” but to “make sure the individual I want to appoint is valid.”

The diagram below illustrates the connections and perceived lack of independence present during the search process, much of which occurred simultaneously or in close succession.

2020 HSCNO Search Committee Membership



The following actual or apparent conflicts of interest were noted in our review as illustrated in the above diagram:

VCAF Search Committee

L. Colletta – Colletta, who was seeking an appointment to the newly created Chief of Staff position, served as Chair on this committee and was in a position to render a favorable recommendation for K. Schroth’s permanent appointment as VCAF with knowledge of K. Schroth’s selection to be on the Chief of Staff Search Committee.

Additionally, Colletta, who knew in early September 2020 that he was going to be heading the Director of HRM Search Committee, was already working with the Interim HRM Director and primary candidate, Higginson, to set up the Chief of Staff position, as an internal candidate for the position, giving him significant influence on the search committee as Higginson and Wasser’s future, direct supervisor. If selected, Colletta would also directly supervise K. Schroth’s son, Jeremy Schroth, as the head of a newly created department, Creative Services & Marketing.

R. Laughlin – Laughlin, who was seeking an appointment as the Dean of Dentistry, was in a position to benefit by providing a favorable recommendation of K. Schroth for VCAF as K. Schroth served on the Dean of Dentistry Search Committee. Additionally, Laughlin served on this committee with Colletta, who would later join K. Schroth in serving on his [Laughlin] search committee.

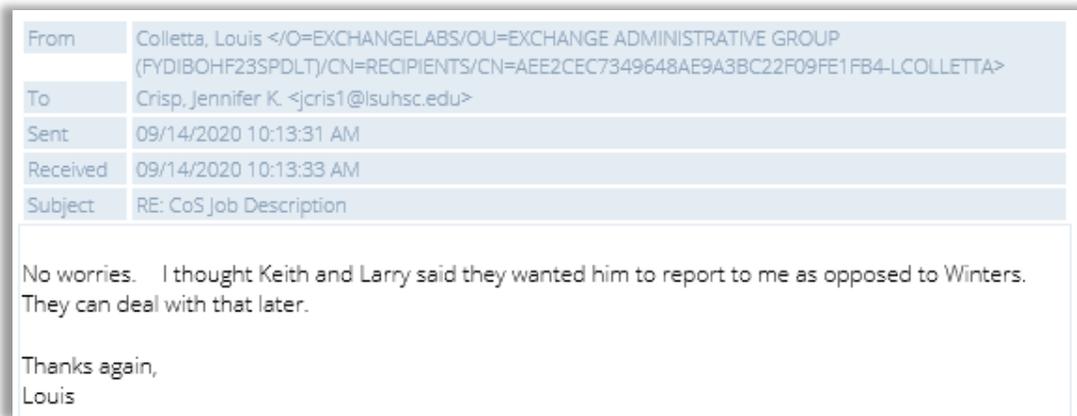
Director of HRM Search Committee

L. Colletta – Colletta, who was seeking an appointment to the newly created Chief of Staff position, was aware, at least by September 8, 2020, of his selection to be heading the Director of HRM Search Committee and was in a position to use this knowledge and influence to work with the Interim Director of HRM and primary candidate, Higginson, (beginning a few days prior, on September 3rd) to create and develop the new Chief of Staff position for himself and establish himself as Higginson’s future, direct supervisor. Advertisement for the Chief of Staff began the day after Colletta first notified Hollier of the committee’s recommendation of Higginson.

F. Wasser – Plans to move the Office of Compliance to report to the newly established Chief of Staff’s Office placed Wasser in a position to serve under Colletta’s influence and with the knowledge that Colletta was to be his future direct supervisor. Colletta also served on Wasser’s search committee for Compliance Officer in January 2020.

Chief of Staff Search Committee

K. Schroth – Keith Schroth, who was seeking an appointment as VCAF, was in a position to re-pay Colletta’s favorable recommendation as VCAF. Additionally, Schroth’s son, Jeremy Schroth, was moved to direct a newly created department, Creative Services & Marketing, to report directly to the Chief of Staff. Colletta acknowledged discussions with Hollier and K. Schroth on or before September 14, 2020, for this to occur.



R. Laughlin – Laughlin, who was seeking an appointment as the Dean of Dentistry, was in a position to benefit by providing a favorable recommendation of Colletta for the Chief of Staff position as Colletta served as Vice Chair on Laughlin’s Search Committee for Dean of Dentistry.

Dean of Dentistry Search Committee

L. Colletta – Colletta, who was seeking an appointment to the newly created Chief of Staff position, served as Vice Chair on the Dean of Dentistry Search Committee while the Interim Dean of Dentistry, primary candidate, Laughlin, was serving on the Chief of Staff Search Committee.

K. Schroth – Schroth, who was seeking an appointment as VCAF, was in a position to reciprocate on a favorable recommendation from Laughlin when he served on Schroth’s VCAF Search Committee.

K. Bruggers – Laughlin hired Bruggers’ daughter in 2020 to fill a newly created physician’s assistant position within the Department of Oral Surgery under Laughlin’s direct supervision.

Our review indicated that search committees appeared to be conducted in a manner that did not appear consistent with the goals of PM-55: *Equal Employment Opportunity Policy* and CM-10: *Equal Employment Opportunity Policy*.

LSU Permanent Memorandum (PM) 55: *Equal Opportunity Policy* provides general guidance for the recruitment process, stating in part:

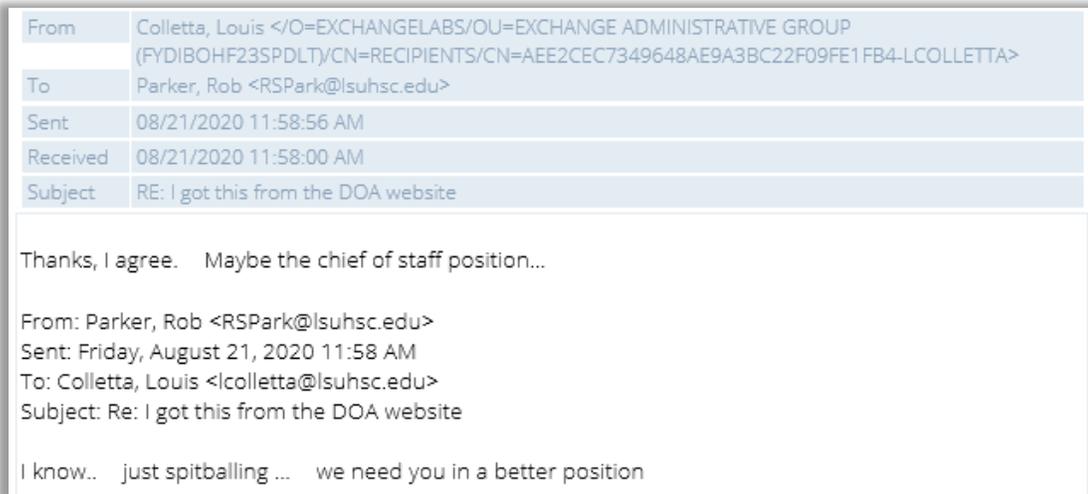
- “The recruitment process shall be conducted in a manner consistent with the goal to attract a diverse pool of applicants.” – Section III(A)(2)
- “The use of search committees is encouraged, particularly for regular fulltime faculty and professional vacancies.” – Section III(A)(5)

LSUHSC-NO Chancellor’s Memorandum (CM) 10: *Equal Employment Opportunity Policy*, while it does not appear to meet its obligation for consistency with PM-55 fully, also requires diligence in the recruitment process, stating in part:

- “The execution of this policy requires vigorous efforts to identify and attract qualified applicants from groups underutilized at all levels in the Health Sciences Center.”

3. The sole candidate for Chief of Staff, Louis Colletta, was allowed to exert significant influence over the position's creation, development, and advertisement.

Louis Colletta had significant influence related to the development of the new Chief of Staff position, including developing duties and responsibilities as well as setting the minimum qualifications. A review of relevant documentation indicated that planning for the Chief of Staff position for Louis Colletta had begun, at least, by June 2020, with Colletta suggesting the possibility of himself serving in the Chief of Staff in communication with the Director of Supply Chain and Auxiliary Operations on August 21, 2020.



At this time, Colletta was still serving as legal counsel, reporting to the Office of General Counsel assigned to LSUHSC-NO. A previous attempt by Chancellor Hollier to create a Vice Chancellor for Legal Affairs and Compliance ostensibly for Colletta failed when LSU Administration rejected the proposal. During interviews, administrators mentioned what they perceived to be a strained relationship between Colletta and the General Counsel’s Office, and that the creation of the Chief of Staff position appeared to be a means by which Chancellor Hollier could move Colletta from the General Counsel’s Office to LSUHSC-NO. Hollier also mentioned his awareness of the strained relationship.

Colletta acknowledged having “some involvement” with creating the Chief of Staff job description, citing that he mostly just provided some notes and suggestions offered to Hollier. Colletta said that he may have suggested the inclusion of a preferred license to Hollier, but it was not necessary for the job. He said Hollier might have taken some of his suggestions and developed the job description. These statements appear to be inconsistent with the documentation reviewed, as noted below.

On September 3, 2020, Colletta began working with the Chancellor’s Office and the Office of Human Resource Management (HRM) to formulate the position description (PD), salary range, and structure for reporting and oversight. Documentation indicates an effort to adjust the Chief of Staff position description to arrive at the desired salary amount, narrow the acceptable credentials that would qualify a candidate for the position, and limit the reach of advertisement to such a degree as to reduce the chances that multiple candidates would meet the criteria to apply, a practice that does not comply with goals outlined in the University Equal Opportunity Policies PM-55 and CM-10.

Development of the Position Description for Chief of Staff

Minimum Qualifications

Colletta had significant influence over the establishment of the minimum required qualifications for the Chief of Staff position. Documents reflect that Colletta prepared and sent Hollier the initial draft of the position description for a new “Chief of Staff” position. Official work to create the LSUHSC-NO position of Chief of Staff appears to have started on

September 3, 2020, when Colletta reached out to Higginson, then Interim Director of HRM, for a job description template comparable to VCAF or VCAA, for the new position he was creating. During interviews, Colletta acknowledged having “some” communication with Higginson during the development of the Chief of Staff position and said he believed that he did inform her that he would be applying for the position.

Colletta sent the following email to Higginson on September 3, 2020:

- "I need to draft a job description for a new position we are creating. Can you send me or have Sara send me a blank PD [position description] so that I can fill in the necessary details? "

Higginson responded with the following suggestion, since the position was for him [Colletta] and would not be needed again:

- "My suggestion because it's you, and you won't have repeated use of this, I would say just draft it on word [MS Word], and I will have Sara or Sam enter it into people admin."

Colletta provided Hollier with the first draft for the job description that afternoon:

- "This is just an initial draft but wanted you to have a look. I will continue to modify."

This initial draft had the following minimum job requirements and was submitted to HRM by the Chancellor's Office Coordinator the next day, September 4th, as a “baseline description of the duties” for determination of a salary range:

- “Juris Doctor or Master’s degree, at least five years of progressive experience counseling and management responsibility.
- Ten plus years of legal experience at a top tier law firm or as in-house counsel advising clients and stakeholders.”

Hollier forwarded (FW) the above communication with HRM to Colletta, who responded:

- “Thanks! It will be interesting to see the salary range with the job description.”

However, HRM Compensation Manager took issue with such restrictive qualifications in an email dated September 15, 2020, and questioned the Chancellor's Administrative Officer, stating, “I’m sure Dr. Hollier has someone in mind for the role, but if that person wins the lottery and leaves, is a JD really required for this job. None of the duties seem to require it.” The Chancellor's Administrative Officer confirmed that she was “not given any substitute in place of a JD” and notified Chancellor Hollier and Colletta of the communication. Colletta subsequently informed the Chancellor's Administrative Officer, “Yes, the JD is necessary.”

Communication indicated the appearance of an effort to narrow the job requirements and reach of advertisement to such a degree as to reduce the chances that multiple candidates would meet the criteria to apply, a practice that does not comply with goals outlined in the University Equal Opportunity policies PM- 55 and CM-10.

LSU Permanent Memorandum (PM) 55: *Equal Opportunity Policy* provides general guidance for the recruitment process, stating in part:

- “Position advertisements and selective criteria will be developed in direct relationship to job requirements and applicable Southern Association of Colleges and Schools (SACS) requirements.” – Section III(A)(1)

After objections from HRM, the minimum qualifications were expanded by Hollier to also allow for MD and Ph.D. and the requirement for legal experience at a “top tier law firm” was changed to “Administrative Experience in senior leadership positions, with at least 3 years experience in a State institution.” On September 17, 2020, Hollier provided Colletta with the aforementioned revisions for comment. Colletta responded with his approval of the revisions and stated, “We should receive some resumes from excellent candidates.” Colletta then recommended making the requirements more restrictive by removing the Masters of Business Administration as an acceptable educational qualification.

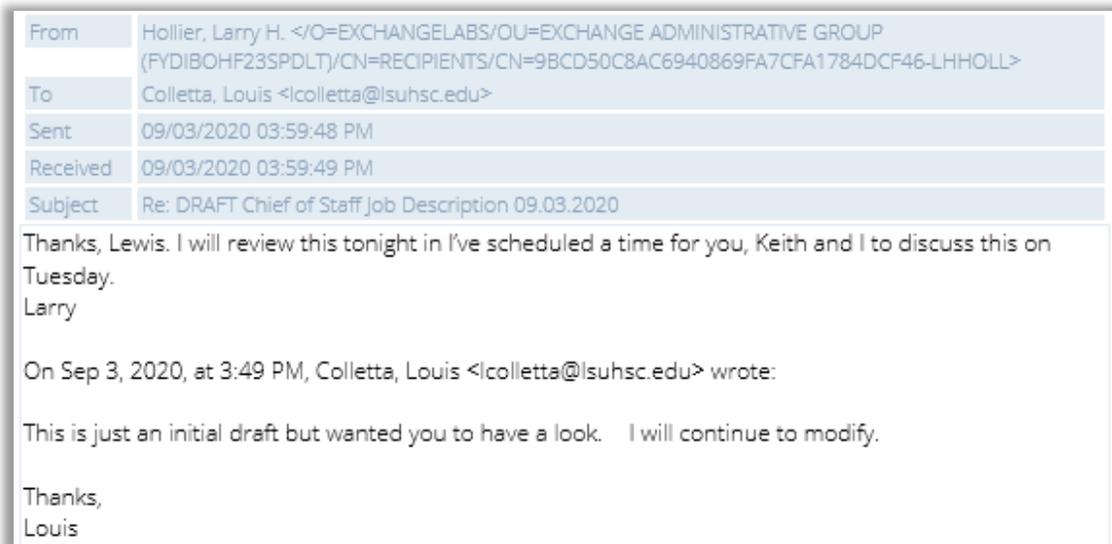
- Colletta wrote, “You [Hollier] may want to take MBA off and just leave the terminal degrees. Just a suggestion.”

Hollier agreed to Colletta’s request and instructed the Chancellor’s Administrative Officer to make the change. However, when the position advertisement opened on September 30, 2020, another notable change had been made, which added a license held by Colletta, Louisiana Notary Public, as a preferred qualification.

Duties and Responsibilities

Duties and responsibilities appear to have been added to the position description to achieve a desired salary. In interviews, Higginson said that, during the process of creating the Chief of Staff position, she had at least one conversation with Colletta where he voiced his displeasure with how the position was set up and the salary lower than he expected. Colletta said he did not have any involvement in discussion, development, or determination of compensation for the Chief of Staff position, and that his only involvement occurred in early November when he accepted the salary range offered to him by Hollier. Colletta said he accepted, but he still felt the salary was low, given the scope of duties. However, Colletta’s statements appear to be inconsistent with the documentation reviewed.

Colletta authored the initial proposed position description on September 3, 2020. He continued this work to revise the position description, with the assistance of the Chancellor’s Office, throughout the process.

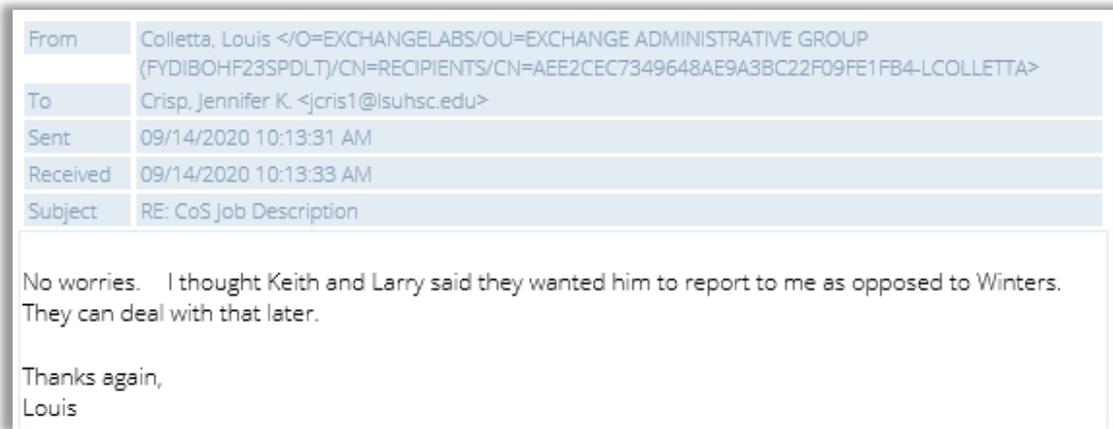


Colletta’s “initial draft” included a section for “Duties and Responsibilities,” in which 19 items were listed. These items related to various functions involved assisting the Chancellor in fulfilling his responsibilities, including assisting with “oversight” of “Campus Police, Human Resources, and the Office of Compliance” and oversight of personnel within the Chancellor’s organizational units but no direct supervision of those units. Based on the duties and responsibilities listed, HRM determined a salary range for the position of \$132,657 – \$228,169.

On September 7, 2020, Higginson communicated a higher salary range of \$139,166 – \$308,990, assuming the direct report relationship of the three departments referenced above as opposed to “assisting with oversight” as stated in the initial draft of the position description. In an interview, Higginson said Colletta had asked for her thoughts on the salary range initially proposed by HRM for the Chief of Staff position, so she told him that the reason compensation was low was because there were no direct reports, and after their conversation, direct reports started being assigned.

On September 14, 2020, the Chancellor’s Administrative Officer communicated with the HRM Compensation Manager regarding the salary range for the position and stated the following, “Hollier has a specific amount in mind, but I want to make sure that the PD will warrant that salary.” The next day, she provided HRM with an additional direct report, for a total of four direct reports, now planned for the Chief of Staff position, “HR, Compliance, Police and Creative Services Marketing,” and requested a reevaluation of the salary range based upon the addition of the reporting units.

It should be noted that Creative Services & Marketing was a new department to be led by K. Schroth’s son, Jeremy Schroth. Colletta acknowledged discussions with Hollier and K. Schroth on or before September 14, 2020, for this to occur. During interviews, Colletta said J. Schroth had served in several departments that had not worked out, and Hollier decided that moving J. Schroth under the Chief of Staff would work best. Colletta said Hollier discussed this with him, and he [Colletta] had no objections.



Communication dated September 16, 2020, indicated HRM’s continued discussion of a response to the Chancellor’s requests to reevaluate salary. The communications also demonstrate Colletta’s awareness of specifics regarding the Chief of Staff position and his discussions with Hollier regarding the position’s development. The HRM Compensation Manager discussed the salary reevaluation request from the Chancellor’s Office with Higginson and stated that the original Chief of Staff duties called for a lower salary, but with the additional direct reports, the salary would be higher, with a midpoint of the salary range over \$250,000, and would require President approval. Higginson told the HRM Compensation Manager that she informed the Chancellor’s Administrative Officer that “actual reporting oversight changed the job considerably.”

Higginson forwarded this communication to Colletta with an “FYI,” and the discussion continued. Colletta told Higginson that Hollier would pay the Chief of Staff \$249,000 and expressed his discontent regarding the HRM Compensation Manager wanting to contact LSU Administration in Baton Rouge for approval for the salary as required by policy.



Minutes later, the HRM Compensation Manager informed the Chancellor’s Administrative Officer that her analysis, considering the direct report relationships resulted in a higher salary grade that would require the President’s approval, per PM-69. It should be noted that, in later communication with the Chancellor’s Administrative Officer, the HRM Compensation Manager did indicate an awareness of the Administration’s desire to avoid Baton Rouge involvement, stating, “If we are trying to avoid going to BR [Baton Rouge] for approval, we can make the job a grade N40.” However, she also noted a concern that trying

to keep the salary lower put it in the same range as the Director of HRM, who would be a direct report.

The Chancellor's Administrative Officer then forwarded (FW) the new salary analysis to Colletta and requested his assistance with verbiage to justify the PM-69 request.

From: Crisp, Jennifer K. <jcris1@lsuhsc.edu [mailto:jcris1@lsuhsc.edu] >
Sent: Wednesday, September 16, 2020 10:37 AM
To: Colletta, Louis <lcolletta@lsuhsc.edu [mailto:lcolletta@lsuhsc.edu] >
Subject: FW: Chief of Staff position request
Importance: High

FYI.....

Can you please provide me with the wording for a memo to send to Galligan for approval per PM69 guidelines? I have a sample in the office, but not on my laptop and want to try to get this drafted, signed by Hollier and emailed to Galligan before the end of the week.

From: Schexnayder, Sara L. <:sssche4@lsuhsc.edu [mailto:sssche4@lsuhsc.edu] >
Sent: Wednesday, September 16, 2020 9:35 AM
To: Crisp, Jennifer K. <jcris1@lsuhsc.edu [mailto:jcris1@lsuhsc.edu] >
Cc: Hollier, Larry H. <lhholl@lsuhsc.edu [mailto:lhholl@lsuhsc.edu] >
Subject: RE: Chief of Staff position request

Jennifer,
Thanks for the responses. With the new reporting relationships, the job will grade out as a N41- Minimum 182,371, Midpoint 250,761, Maximum 319,150. With this range, it needs approval of the President per PM 69.
Please let me know if you have any questions.

Colletta subsequently provided the requested verbiage, and the Chancellor's Administrative Officer forwarded (FW) it to Chancellor Hollier for review and approval.

| | |
|----------|--|
| From | Crisp, Jennifer K. </O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=0885493645844615A23F7B9F6834517D-JCRIS1> |
| To | Colletta, Louis <lcolletta@lsuhsc.edu> |
| Sent | 09/16/2020 02:04:38 PM |
| Received | 09/16/2020 02:04:50 PM |
| Subject | RE: Chief of Staff position request |

Looks great!! Will forward to Dr. Hollier to review/approve.

From: Colletta, Louis <lcolletta@lsuhsc.edu>
Sent: Wednesday, September 16, 2020 1:01 PM
To: Crisp, Jennifer K. <jcris1@lsuhsc.edu>
Cc: Colletta, Louis <lcolletta@lsuhsc.edu>
Subject: RE: Chief of Staff position request

How does this look? Obviously, Larry will want to review and approve.

On September 17, 2020, Chancellor Hollier notified Colletta of revisions to the position description, including removing Campus Police as a direct report, leaving the Chief of Staff

position with three direct reporting departments. The following day, Presidential approval was received to create the Chief of Staff position pursuant to PM-69, with a base salary range with a midpoint over \$250,000.

Another direct reporting department was later added at the recommendation of the VCAF Search Committee, of which Colletta served as Chair. This brought the total number of departments directly reporting to the Chief of Staff back to four. As the VCAF Search Committee Chair, Colletta, provided Hollier with official notice, dated October 10, 2020, of the search committee's recommendation for the selection of Keith Schroth for VCAF. However, additional recommendations also included the following:

- "Facilities and Planning should be removed from VCAF organizational chart and instead report to the new Chief of Staff position."

The LSUHSC-NO Organizational Chart (Appendix A) was subsequently amended to reflect all four direct reports to the Chief of Staff, including the Office of Property and Facilities Management.

Justification for Restricting the Chief of Staff Search to Internal Applicants Only

E-mail communications indicate Colletta's further participation in limiting the potential pool of candidates for Chief of Staff by restricting application to current LSUHSC-NO employees only. Documents reflect that Colletta, at the request of the Chancellor's Office, drafted a memo to be attached to a Waiver of Advertisement form to justify why the Chief of Staff position should only be advertised internally. On September 17, 2020, the Chancellor's Administrative Officer wrote the following:

- "I need some verbiage for a memo that needs to be attached to a waiver request to justify why the CoS position should only be advertised internally. Can you please help me with this, Mr. Wordsmith?!"

Colletta provided the following response on September 18, 2020:

- "See if you can make this work. Please edit as you need."

On September 29, 2020, the Waiver of Advertisement Request was executed by the Chancellor's Office.

The restrictive minimum required qualifications previously noted, along with the requirement that only candidates internal to LSUHSC-NO could apply, resulted in Colletta being the only "qualified" applicant. Such restrictive actions do not appear to be consistent with established University Equal Opportunity Policies. LSU PM-55, Section III(A)(2) stipulates, "The recruitment process shall be conducted in a manner consistent with the goal to attract a diverse pool of applicants." Additionally, LSUHSC-NO CM-10 "requires vigorous efforts to identify and attract qualified applicants from groups underutilized at all levels in the Health Sciences Center."

Chief of Staff Advertisement and Required Job Qualifications

The LSUHSC-NO Chief of Staff position was advertised for two weeks, from September 30 – October 14, 2020, and open to "Internal LSUHSC applicants only." The final version of the

position description indicated that minimum requirements included possession of a doctorate (MD, Ph.D., JD), ten years of administrative experience in senior leadership positions, with at least three years of experience in a state institution, and progressive experience counseling and management responsibility. Additionally, applicants with a Louisiana Notary Public license were preferred. Chancellor Hollier said he understood that restricting the search to internal candidates, and perhaps the way some of the things were written, may have limited others from applying; but he said that it was his “prerogative,” and that he did not have to advertise or conduct a search for the position.

Two applicants responded to the advertisement. Of the two, Louis Colletta was the only candidate that certified that he met the qualification as an internal candidate; therefore, the other applicant was disqualified. However, even Colletta’s status as an internal candidate is questionable. Applicant information and documentation submitted by Colletta (cover letter & curriculum vitae) stated that he had been an employee of LSUHSC-NO as “Assistant Professor of Health Policy and Chief Counsel” since September 16, 2019, when, in fact, he was employed by LSU, not LSUHSCNO, as “Counsel.” Additionally, Colletta failed to disclose that the “Assistant Professor” position was an unpaid, non-tenure track gratis appointment that was effective September 21, 2020, not September 2019, as implied. It should also be noted that Colletta acknowledged that, as of February 22, 2021, he had conducted no substantive activities related to the gratis appointment.

Colletta requested a gratis appointment from the Dean of the School of Public Health (SoPH) on September 3, 2020, less than 30 minutes before his request for a job description template from HRM for the development of the Chief of Staff position.

- At 12:11 PM, Colletta asked, "Do you think it’s possible for me to obtain a gratis appointment to the School of Public Health?"
- At 12:38 PM, the Dean of SoPH replied, "We would be delighted to include you on our faculty. The title would be Gratis Assistant Professor of Health Policy and Systems Management. I only need a CV/resume to get the process started."

From: Colletta, Louis <lcolletta@lsuhsc.edu [mailto:lcolletta@lsuhsc.edu] >
Sent: Thursday, September 3, 2020 12:11 PM
To: Smith, Dean G. <dgsmith@lsuhsc.edu [mailto:dgsmith@lsuhsc.edu] >
Subject: Gratis

Dean,

Do you think it's possible for me to obtain a gratis appointment to the School of Public Health?

Best,
Louis

From: Smith, Dean G. <dgsmith@lsuhsc.edu>
Sent: Thursday, September 3, 2020 12:38 PM
To: Colletta, Louis <lcolletta@lsuhsc.edu>
Subject: RE: Gratis

Hi Louis,

We would be delighted to include you on our faculty. The title would be Gratis Assistant Professor of Health Policy and Systems Management. I only need a CV/resume to get the process started.

Dean

Colletta received his letter of appointment to a gratis position, dated September 08, 2020, as "Assistant Professor – Research (gratis)" in the LSUHSC-NO School of Public Health Department of Health Policy & Systems Management, which indicated the appointment was effective immediately and scheduled to end automatically on June 30, 2021. However, since Colletta was not an LSUSHC-NO employee, he was required to complete paperwork for new hires and submit a PER-2 to HRM in order to receive an LSUHSC-NO Employee ID and complete processing of the gratis appointment. Higginson later acknowledged that, though she did not realize it at the time, the gratis appointment was only about qualifying Colletta as a "current employee of LSUHSC-NO" for the internal only application for Chief of Staff.

During a review of applicant information provided by Colletta, some inconsistencies and areas of concern were noted, including the following:

- **Employment start date & title.** In support provided for his gratis appointment, a position not limited to internal LSUHSC-NO applicants, Colletta wrote that he had been employed by the *LSU A&M campus* and assigned to LSUHSC-NO as Chief Counsel since September 16, 2019. However, just days later, when applying for the Chief of Staff position, which *was* restricted to internal LSUHSC-NO applicants only, he provided the following information indicating that he was an employee of LSUHSC-NO rather than LSU A&M.

Chief of Staff online application (PeopleAdmin) sections:

- General Information – Colletta asserted that "Yes," he had been employed at the institution [LSUHSC-NO] since September 16, 2019, as "Assistant Professor of Health Policy and Chief Counsel."
- Employment History –
 - Colletta again listed his employer's name as "LSU Health Sciences Center New Orleans"; his start date, "09/16/2019"; and last position job title, "Chief Counsel and Assistant Professor of Public Health." In a subsequent section, Colletta described his Chief Counsel duties in detail but mentioned nothing about his stated assistant professorship.
 - Colletta listed Hollier as his supervisor, instead of the LSUA&M Deputy General Counsel.

| Employment History | |
|-------------------------------------|--|
| Previous Employers | |
| Employer Name | LSU Health Sciences Center New Orleans |
| Employer Address | 433 Bolivar Street |
| Employer City | New Orleans |
| Employer State | LA |
| Employer Country | United States of America |
| Employer Contact Phone | 504-568-3126 |
| International Phone (if applicable) | |
| Supervisor Name | Larry Hollier |
| Type of Business | Higher Education |
| Last Position Job Title | Chief Counsel and Assistant Professor of Public Health |
| Employment Start Date | 09/16/2019 |
| Employment End Date | |

- Professional experience on the CV. In support provided for his gratis appointment, Colletta acknowledged employment with LSUA&M for 12 months, beginning September 16, 2019. See written remarks for Background section question #13 in the excerpt below.

BACKGROUND
(Please include current application, curriculum vitae, or resume)

If you answer yes to any of the following questions, please provide additional information under item number 16.

12. Do you have a relative employed by LSU? (If yes, provide name, relationship, department, and position held). Yes No

13. Have you previously been employed by any LSU campus (If yes, indicate campus, original appointment date, and total length of LSU service in months). Yes No

14. Do you have prior State Service? (If yes, indicate name of agency, position(s) held and dates of service) Yes No

15. Are you a member of any professional organization, society, or hold licenses in any area? (If so, indicate name of organization or society, license held and certificate number, if applicable) Yes No

WORK EXPERIENCE

| Employer | Location | Dates | Position/Title |
|----------|----------|-------|----------------|
| | | | |
| | | | |

16. Remarks: If you answered "yes" to questions 12-15, please provide the requested information in the following spaces. The space may also be used to expand on any of the items listed on the top of the form. Please ensure that the item number is indicated for the area of continuation.

13 I am employed by LSU main campus and am assigned to the Health Sciences Center as the Chief Counsel. My original appointment date was September 16, 2019; therefore, I have been employed by LSU for 12 months.

However, Colletta provided the following answers related to his application for Chief of Staff:

- Curriculum Vitae (CV)

- Colletta listed his employer as "LSU Health Sciences Center New Orleans" and his position/title as "Chief Counsel and Assistant Professor of Health Policy" during the period of employment of "August 2019 – Present."
- Colletta did not indicate that his employment was with LSU A&M and not LSUHSC-NO.
- Colletta did not indicate that his assistant professorship was gratis.
- Colletta did not indicate that his gratis appointment had only been effective for two weeks prior to his application for Chief of Staff, which was restricted to internal candidates only.

| Professional Experience | |
|---|------------------------------|
| LSU HEALTH SCIENCES CENTER NEW ORLEANS | AUGUST 2019 - PRESENT |
| CHIEF COUNSEL AND ASSISTANT PROFESSOR OF HEALTH POLICY | |
| <ul style="list-style-type: none"> ▪ Serve as the lead attorney providing day-to-day strategic support and legal guidance for the LSU Health Sciences Center-New Orleans ("LSUHSC-NO"). ▪ Provide advice and counsel on areas such as labor relations, student and employee records, performance evaluations, healthcare law, intellectual property, research, grants and contract law, public procurement, leases, and state ethics. ▪ Confer with LSUHSC-NO administrators, employees and students on matters involving legal interpretation and decisions related to LSUHSC-NO activity, policy questions, and operating matters. ▪ Review legislation, legal opinions, legal motions, cases, claims, lawsuits, and contracts to analyze impact on institution and minimize liability exposure. ▪ Work with Human Resource Management to make policy decisions and review and interpret circulars and decisions promulgated by the Department of Labor and Louisiana State Civil Service ▪ Respond to requests for public records. ▪ Serve on multiple committees including Compliance and Facilities and Planning to provide recommendations regarding applicable legal and policy matters. ▪ Recommend operational changes as needed to ensure legislative and state Civil Service mandates are met. ▪ Supervise legal and compliance staff at LSUHS-NO. ▪ Participate in and conduct Human Resources Investigations for LSUHSC-NO. ▪ Assistant Professor of Health Policy at the School of Public Health | |

- Status as an LSUHSC-NO employee. Colletta was an LSU A&M employee with the Office of Legal Affairs and General Counsel assigned to LSUHSC-NO as Chief Counsel, and as such, was ineligible to apply.
 - The LSU Board Personnel Actions Information Report for the period of October 2020 – December 2020 demonstrated: (1) that Colletta was not considered an LSUHSC-NO employee by virtue of his Chief Counsel position, and (2) the apparent need for urgency in pursuit of a gratis appointment. In the following excerpt from the Report, the previous salary listed is zero, indicating that he was a new employee to LSUHSC-NO.

| Personnel Actions Information Report | | | | |
|--|----------------|------------------------------|---------------------------------|------------------------------|
| Reporting Period: October 2020 - December 2020 | | | | |
| LSUHSC-New Orleans | | | | |
| Name | Effective Date | Academic Rank/Title | Faculty Rank | |
| Colletta Jr., Thomas Louis | 11/16/2020 | DIRECTOR OF BUSINESS AFFAIRS | | |
| Prev Salary | New Salary | % Net Change | Last Day of Leave- Estimated | Transaction |
| \$0.00 | \$249,000.00 | 100.00 | | HIR Appointment Unclassified |

- The gratis appointment Colletta requested was effective September 21, 2020, only days before the job posting on September 30, which presumably allowed him to answer “Yes” to the key, supplemental question given below. Just one month prior, Colletta acknowledged that he was, in fact, not an LSUHSC-NO employee.

From: Colletta, Louis <lcolletta@lsuhsc.edu [mailto:lcolletta@lsuhsc.edu] >
Sent: Friday, August 21, 2020 11:49:02 AM
To: Parker, Rob <RSPark@lsuhsc.edu [mailto:RSPark@lsuhsc.edu] >
Subject: RE: I got this from the DOA website

Thanks, Rob! This is good information. Sadly, I am not interested in having the contracts group report to me. Plus, I am not even an employee of the HSC.

Best,
Louis

Supplemental (Qualifying) Questions (Required Fields) – In answer to question 4: "Are you a current employee of LSUHSC-NO?" Colletta marked "Yes." However, it should be noted that, before he was appointed Chief of Staff, Colletta received no paychecks from LSUHSC-NO.

4. *Are you a current employee of LSUHSC-NO?
 1. Yes
 2. No
 3. No Answer

Chief of Staff Search Committee

Search committee members were selected, and Chancellor Hollier made the committee chair assignment. Committee members included: School of Nursing Dean Demetrius Porche (Committee Chair), Assistant Vice Chancellor for Innovation & Partnerships Patrick Reed, School of Medicine Genomics Core Director Judy Crabtree, School of Allied Health Dean Jimmy Cairo, Interim VCAF Keith Schroth, School of Medicine Dean Steve Nelson, and Interim Dean of Dentistry Robert Laughlin. Of the seven (7) committee members, two (2) presented a significant appearance of conflicts of interest, including:

- Keith Schroth – Colletta served as Chair on the VCAF Search Committee that had just rendered a favorable recommendation, dated October 10, 2020, for K. Schroth’s permanent appointment as VCAF. K. Schroth was also aware, as early as September 8, 2020, of his selection to be on the Chief of Staff Search Committee. Also, as illustrated in Finding two above, Schroth’s son, Jeremy Schroth, was moved to direct a newly created department, Creative Services & Marketing, to report directly to Colletta as Chief of Staff. Colletta acknowledged discussions with Hollier and K. Schroth on or before September 14, 2020, for this to occur.
- Robert Laughlin – Colletta served as Vice Chair on the Laughlin’s Search Committee for Dean of Dentistry.

Several LSUHSC-NO personnel interviewed expressed concerns that the overlap in committee memberships presented an appearance of impropriety, and at least one interviewee said they warned Colletta about the conflicts present in both the committee assignments and the reporting arrangement for VCAF K. Schroth's son.

On Thursday, October 15, 2020, Chief of Staff Search Committee members were notified of a single candidate, Colletta, and were provided a copy of his cover letter and CV for review. Porche said the search committee attempted to meet Friday, October 16, but they could not due to schedule conflicts. Porche planned to reschedule a meeting for the following Monday, October 19, but they were unable to meet before Hollier announced his selection of Colletta as Chief of Staff in a Deans & Vice Chancellors Meeting held earlier in the day. Porche said he was caught entirely off guard and called Hollier to inquire about his expectations of the search committee since the selection had already been made. Porche said Hollier instructed him to provide a recommendation for Colletta, after Hollier had announced to the deans and vice chancellors that Colletta was selected as the Chief of Staff. Porche said the committee never gave Hollier a recommendation for Colletta; instead, they provided only an acknowledgment that the single candidate appeared to meet the qualifications based upon the information provided to them.

Committee members expressed concerns that the search was not what they would consider a "normal" and thorough search process. They said it moved fast for only one candidate, and the committee never met to discuss. Another member said they were called to Hollier's office and that Hollier instructed them to "fall in line." Afterward, they said there was a general feeling that Colletta was pre-selected and that they were to just go through the motions. No one wanted to "rock the boat."

The members interviewed were not aware of the close proximity of Colletta's gratis appointment to the position opening date and expressed concerns regarding the appearance. One member said that knowing the timing would have "absolutely" made a difference in the process.

4. Additional compensation was used by Administration to provide long-term enhancement of Keith Schroth's base salary, in part, to avoid additional oversight and in violation of University policy.

Credible complaints were received regarding additional compensation awarded to Keith Schroth. Details and analysis from our review of the complaints received are presented below. A review of relevant documentation indicated that additional compensation appeared to have been used by the administration to increase Keith Schroth's permanent salary, while avoiding a perceived need for review or approval from the President and Board of Supervisors. K. Schroth's additional compensation was increased to achieve the higher, long-term compensation amounts desired, while remaining below the 30% limit allowed by University policies without additional oversight. The review also indicated that K. Schroth received approximately \$69,233 in additional compensation that University policy prohibited him from receiving after his appointment to Vice Chancellor for Administration & Finance (VCAF), effective November 1, 2020.

The most recent revision (effectively July 1, 2016) of LSU Permanent Memorandum (PM) 3: *Additional Compensation and Compensation Limits: Faculty and Full-time, Non-classified Employees* and LSUHSC-NO Chancellor's Memorandum (CM) 61: *Additional Compensation Routing and Supplemental Compensation Exclusions and Limitations Subject to PM-3* both require duties to be "clearly beyond the scope" of the duties required of the employee's position or appointment "on a temporary, short-term basis," generally not to exceed six months. The policies also generally prohibit executive-level employees from receiving additional compensation without prior approval by the President.

PM-3 and relevant portions of CM-61 state, in part:

Additional Compensation: Definitions and Types

- "Supplemental pay is a subcategory of additional compensation. Supplemental pay is intended for use when faculty or full-time, non-classified staff are asked to perform duties that are substantially outside the scope of the individual's regular position as defined by the job description. Supplemental pay is intended for short-term, temporary arrangements, typically with a duration of 6 months or less. Supplemental pay is not a means to pay a bonus or incentive for performance of the duties and responsibilities of an employee's current position." – Section II(A)(3)

Supplemental Pay: Exclusions

- "Persons holding executive-level positions except in rare and very limited circumstances by determination of, and approval of, the President. Executive-level positions include those positions reporting directly to the President or Chancellor with university-wide or campus wide responsibilities." – Section III(F)

Executive-level employee paid additional compensation without the required approval

As stated above, PM-3 generally prohibits individuals holding executive-level positions, such as K. Schroth, from receiving additional compensation. A review of Keith Schroth's compensation history determined that the revision to PM-3, effective July 1, 2016 (FY 2017), had a potential impact on additional compensation received in fiscal year 2021, with his appointment as Interim VCAF. As of June 30, 2021, K. Schroth has received \$69,233.22 in additional compensation that is prohibited without special approval by the President. No documentation was provided indicating that such approval was granted; however, Louis Colletta did provide an opinion stating that the approval was not required. Further detail is provided below.

With the announcement of K. Schroth's appointment to Interim Vice Chancellor for Administration & Finance (VCAF) on July 6, 2020, Chancellor Hollier communicated with the HRM Compensation Manager to consider a corresponding pay increase. Hollier's communication to HRM on July 22, 2020, included the following, in part:

- "Keith should have an increase in his compensation as Interim VC of Admin and Finance, with a raise of 12%, bringing him to \$ 402,216.64."

- “Please let me know the composition of Keith’s current compensation, i.e. how much on base and how much on supplement?”

As requested, Hollier was provided with the salary detail below for Keith Schroth’s dual roles as Associate Vice Chancellor (VC) for Business Development and Associate Dean for Fiscal Affairs in the School of Medicine, and he was advised by the HRM Compensation Manager that, if Schroth’s pay were to be adjusted through payment of additional compensation "like we usually do," the increase would need to be limited to 10% to stay within CM-61 limits.

Hollier then directed the HRM Compensation Manager to increase K. Schroth’s base pay by 12% to \$402,216.64 and leave additional compensation unchanged for total compensation of \$494,527.56, effective August 1, 2020.

| | Annual Compensation | | Grade | Min | Midpoint | Max |
|-------------|----------------------------|------------|--------------|------------|-----------------|------------|
| Base: | \$402,216 | 81% | N45 | \$285,891 | \$398,818 | \$511,745 |
| Supplement: | <u>92,311</u> | <u>19%</u> | | | | |
| | \$494,527 | 100% | | | | |

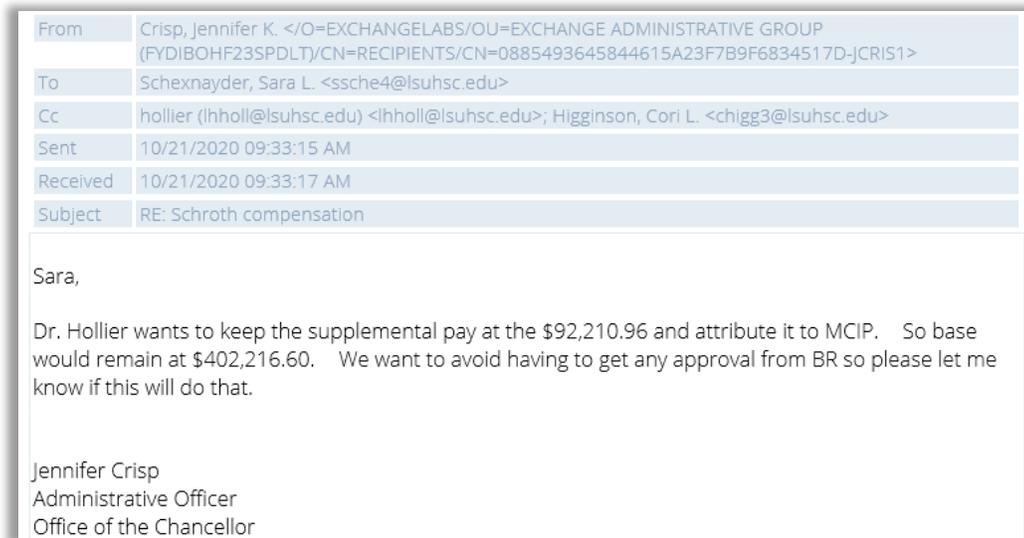
After the search committee’s recommendation on October 10, 2020, and subsequent selection by Hollier for permanent appointment to VCAF, administration worked to increase K. Schroth’s compensation further. By October 20, 2020, communication between the Office of the Chancellor and HRM indicated that the Chancellor desired to further increase K. Schroth’s base compensation by as much as an additional 15%, if it would not require Presidential approval. Hollier advised HRM to attribute K. Schroth’s continued receipt of \$92,311 of additional compensation to his duties with the Managed Care Incentive Program (MCIP), duties that were previously incorporated in the scope of his employment, in his prior position, with a 10% raise in FY 2020 (See note 2 in the chart below.)

HRM Compensation Manager confirmed that an increase of 15% was allowed without Presidential approval and said that Schroth’s total compensation was already very high in the current salary range for VCAF. HRM Compensation Manager noted that her analysis to calculate the salary range for the VCAF position was based on former VCAF John Harman’s position and that no changes were made to the position description when the position was posted. Harman’s information is provided below for comparison.

| | Annual Compensation | | Grade | Min | Midpoint | Max |
|----------------|----------------------------|------|--------------|------------|-----------------|------------|
| Base: | \$338,767 | 100% | N45 | \$285,891 | \$398,818 | \$511,745 |
| Car allowance: | <u>12,000</u> | | | | | |
| | \$350,767 | | | | | |

On October 21, 2020, the HRM Compensation Manager advised that, since K. Schroth received a 12% base salary increase with his appointment to Interim VCAF, an additional 15% increase would not be appropriate unless the additional compensation was reduced by the amount of base salary increase. The Chancellor’s Administrative Officer provided the response below, which noted the desire to avoid scrutiny of LSU Administration in Baton Rouge and prompted the HRM Compensation Manager to give notice of HRM’s objection to compensation plans for K. Schroth.

- “Dr. Hollier wants to keep the supplemental ...and attribute it to MCIP. So base would remain at \$402,216.60. We want to avoid having to get any approval from BR [Baton Rouge] so please let me know if this will do that.”



On October 21, 2020, Higginson informed the HRM Compensation Manager of a lengthy discussion with Colletta and agreement that she should issue a formal notice of objection to what they considered an “excessive compensation decision.” The HRM Compensation Manager then notified the Chancellor’s Office, “Respectfully, I need to note for the record that Human Resources does not support this request.” Objections raised included:

- "Mr. Schroth has already received a 12% increase for assuming the VCAF duties on 8/1/2020. Another 15% for the same responsibilities would make the total increase at 28.8%, which is over \$100,000 and excessive for someone already above the midpoint. (From \$359,121 on 7/1/20 to the proposed \$462,549)."
- "The additional compensation ...is excessive for assuming an additional duty."

That afternoon, the HRM Compensation Manager informed Higginson of a request she received to meet with the Chancellor on the morning of October 26, 2020, to further discuss the compensation proposed for K. Schroth. Higginson subsequently emailed the Chancellor’s Administrative Officer and expressed her desire to accompany the HRM Compensation Manager to the meeting, as she felt it was more appropriate, and provided an explanation for HRM’s objection which included, the following in part:

- "...we have to be equitable and treat all positions with the same level of scrutiny. If anything, the higher profile the position, the more care we need to exercise in following proper HR procedure. HR recommendations may not always be followed, though they generally should be regarded as a strong guide in order to prevent unnecessary grounds for discrimination in wage claims and subsequent litigation."

During the meeting on October 26, 2020, Hollier provided HRM with a Letter of Offer, dated June 26, 2016, for continuation of appointment related to his dual roles as Associate VC for Business Development and Associate Dean for Fiscal Affairs in the School of Medicine, and two charts showing what was purported to be the amount of funding that K. Schroth brought into the Health Science Center. Higginson said that regardless of this, the “exorbitant” salary requested was higher than what was called for, based on the HRM Compensation Manager’s analysis, and was not supported by the job duties. Higginson said she believed Hollier was so convinced of Schroth’s value that he would not listen to anything they [HRM] had to say. Following the meeting, the Chancellor issued a memo to Higginson formally requesting additional compensation for K. Schroth in the amount of \$7,692.58 monthly (\$92,310.96 annually) for the duties associated with implementing mission-based budgeting, subject to renewal each fiscal year.

After HRM met with Chancellor Hollier, the push for the additional 15% increase to K. Schroth’s base salary appeared to have been abandoned.

On the afternoon of October 26, 2020, Higginson placed a hold on HRM’s processing of the additional compensation requested for K. Schroth after she became aware of a policy exclusion in PM-3 that appeared to indicate that he, as an executive-level employee, was excluded from receiving additional compensation without special approval from the President. Higginson consulted Colletta for further guidance and then emailed her concerns to the HRM Compensation Manager. Higginson said it appeared that the exclusion was initially avoided because Schroth’s additional compensation was approved by the Chancellor on June 26, 2016, days before the July 1, 2016, PM-3 effective revision date. The HRM Compensation Manager provided the following reply to Higginson:

- “It’ll be interesting to see how we get around this one.”

On October 28, 2020, the HRM Compensation Manager informed the Chancellor’s Administrative Officer that, after reviewing PM-3, plans to continue approval of K. Schroth’s additional compensation in the amount of \$92,310.96 would likely not be able to move forward without the President’s approval. Relevant excerpts from PM-3 were also provided for reference and are listed below. However, Colletta instructed the Chancellor’s Administrative Officer to move forward with the request and provided an opinion to Higginson that the policy was prospective, not retrospective; therefore, President approval was unnecessary. However, the policy revision was effective July 1, 2016, and the action taken was in October 2020 in relation to Schroth’s appointment to a new position. There is, therefore, no credible basis for this determination.

Long-term use of “additional compensation” as a supplement to base salary

Keith Schroth’s compensation history reflects that Schroth was appointed VC for Business Development at LSUHSC-NO in Fiscal Year (FY) 2013 while serving concurrently in his role as Associate Dean of Fiscal Affairs for the School of Medicine. This promotion included a 15% (\$35,205.72) increase in pay in the form of additional compensation, bringing his total compensation to \$269,910.72. Three years later, his additional compensation had risen to a rate of 30% over base salary (\$80,550.96). Increases over the next few years resulted in the

current requested amount of \$92,310.96. As shown in the chart below, all additional compensation approved for and received by Keith Schroth in the nine (9) fiscal years included in HRM’s review appeared to have used as a long-term supplement to his base salary and was done in conjunction with other salary adjustment events (noted in the chart below) to achieve and for much of that period remain at, or just below, the 30% of base salary limitation establish by PM-3.

| FY | Base Salary | Increase (%) | HRM Reason | Add Comp ¹ | Increase (%) | Add Comp % of Base | Total Compensation |
|------|--------------|--------------|----------------------------|-----------------------|--------------|--------------------|--------------------|
| 2021 | \$402,216.60 | | Permanent Appointment | \$92,310.96 | | 26% | \$494,527.56 |
| 2021 | \$402,216.60 | 12% | Interim Job | \$92,310.96 | | 26% | \$494,527.56 |
| 2020 | \$359,121.96 | 3% | COLA | \$92,310.96 | 0% | 26% | \$451,432.92 |
| 2020 | \$348,661.50 | 10% | Expanded Duty ² | \$92,230.96 | | 26% | \$440,892.46 |
| 2019 | \$316,965.00 | 3% | Other | \$92,230.96 | 2% | 29% | \$409,195.96 |
| 2018 | \$307,703.04 | 15% | Equity Mkt. Study | \$90,350.96 | 12% | 29% | \$398,054.00 |
| 2017 | \$268,502.04 | | | \$80,550.96 | | 30% | \$349,053.00 |
| 2016 | \$268,502.04 | | | \$80,550.96 | 20% | 30% | \$349,053.00 |
| 2015 | \$268,502.04 | 10% | Equity | \$67,110.12 | 46% | 25% | \$335,612.16 |
| 2014 | \$244,092.96 | 4% | Merit | \$46,002.24 | 31% | 19% | \$290,095.20 |
| 2013 | \$234,705.00 | | Promotion to Assoc. VC | \$35,205.72 | | 15% | \$269,910.72 |

¹ Add Comp – Amounts represent additional compensation paid each fiscal year (FY), except FY 2021, which is the amount scheduled for payment by the end of FY 2021.

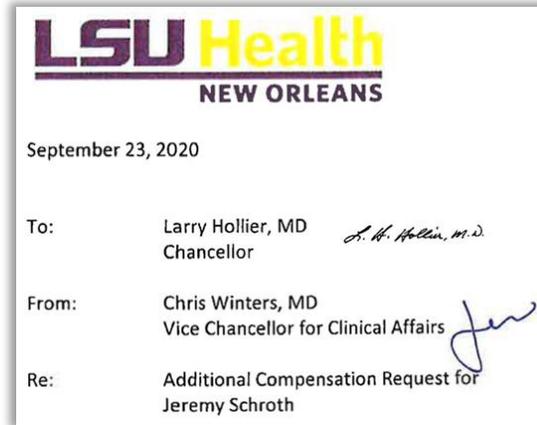
² Expanded duties – Schroth received a 10% base salary increase were “...oversight responsibility of LSUHSC’s participation in the Managed Care Incentive Program (MCIP)”.

The HRM Compensation Manager said a market study was done in 2017 [FY 2018], and Keith Schroth’s position was reviewed and graded, based upon the full scope of his duties. According to the analysis, at this point, any additional duties performed by Schroth became part of his regular job, and the additional compensation should have been discontinued for subsequent years. The blue highlighted area and horizontal line in the above chart between FYs 2018 and 2019 was added to illustrate the cut-off point mentioned by the HRM Compensation Manager and the additional compensation (amounting to \$215,312, approximately, by his appointment to VCAF in November 2020) that would have been impacted by that determination.

5. Chancellor Hollier drafted a memo to himself, based in part with information provided by Keith Schroth, Jeremy Schroth’s father, to create the appearance that Jeremy’s direct supervisor recommended additional compensation for him when, in fact, Hollier initiated the proposed action.

Credible complaints were received regarding actions taken on behalf of Jeremy Schroth, including a September 23rd request for additional compensation. Details and analysis from our review of the complaints received are presented below. Our review determined that a justification memo, dated September 23, 2020, and submitted to HRM on September 29, 2020, requesting additional compensation for Jeremy Schroth was not authored by his direct supervisor, the Vice Chancellor (VC) for Clinical Affairs & CEO of LSU Healthcare

Network, as it purported to be. Instead, the letter was drafted by Hollier, with the information provided by K. Schroth, J. Schroth's father, and sent to J. Schroth's direct supervisor with directions to place on letterhead, sign, and return to the Chancellor's Office for submittal to HRM. The letter may be viewed in its entirety as Appendix C.



The memo requested additional compensation of \$16,480, an amount that represented 20% of J. Schroth's base salary and would have increased his total compensation to \$98,880. HRM reviewed the request and deemed it "excessive and not supported by job worth" and issued notification of their objections, including:

- Most of the items outlined in the memo were in the scope of his duties as Digital Marketing and Production Manager, the position to which J. Schroth was promoted in the previous year.
- While bringing in house the taking of faculty and student pictures may have resulted in cost savings, the paying of a "bonus" for such activity was not permitted.

As a result, the requested additional compensation was not awarded to J. Schroth.

The VC for Clinical Affairs & CEO of LSU Healthcare Network said Hollier called and informed him of the increased work J. Schroth was doing and his plans for that work to continue. After their discussion, he received a draft memo from Hollier. Believing the information noted therein justified the recommendation, and since Hollier seemed comfortable with it, he signed the recommendation for advancement to HRM. The VC for Clinical Affairs & CEO of LSU Healthcare Network said HRM was his "stopgap," and he was confident that they would deny the request if it were inappropriate. Hollier said he drafted the letter for VC for Clinical Affairs & CEO of LSU Healthcare Network to sign because "he didn't understand what I was asking him to do." Hollier said that the easiest way to get what he wanted done was to draft the memo for him and have him sign and return it to him [Hollier] to get it approved.

Additionally, K. Schroth acknowledged a conversation with Hollier, before the memo, during which he [K. Schroth] apprised Hollier of his son's (J. Schroth) work activity, including the following:

- J. Schroth had been incredibly busy filming and developing virtual tours.

- The University had realized annual cost savings of approximately \$47,000 because of his work to bring in house photography services that were previously outsourced.

The above examples were among those specifically addressed in the memo. K. Schroth said this conversation could be where the recommendation letter came from, as Hollier may have incorporated elements of their conversation into the letter for his son. Colletta also confirmed that Hollier would only be aware of J. Schroth's activities through his father, K. Schroth because J. Schroth did not report to Hollier.

Hollier previously attempted to have J. Schroth's position re-evaluated and raised to an Executive Director level position. The HRM Compensation Manager said a move was initiated by the Chancellor's Office August 2020 to modify the position to Executive Director. However, HRM recommended a change in title only and no change in compensation. The HRM Compensation Manager said she met with Hollier to discuss why HRM denied the move to upgrade J. Schroth's position to the Executive Director level. The HRM Compensation Manager said that, during the meeting, Hollier asked what it would take to move the position higher. He did not give them a specific salary or grade; he just indicated that he wanted it higher. The HRM Compensation Manager explained that it would take a significantly higher degree of duties and increase in the number of reports or reporting departments before advancement to a position higher than Director could be considered. Since notifying the Chancellor's Office that, based on the degree of duties and lack of reports, the market did not support the request, the HRM Compensation Manager said there had been no further attempts to discuss it.

6. VCAF Keith Schroth attempted to influence the advancement of his son, Jeremy Schroth.

Credible complaints were received regarding actions taken on behalf of Jeremy Schroth, including an attempt by Keith Schroth to influence his advancement. Details and analysis from our review of the complaints received are presented below. After the official announcement of appointments to administrative staff on November 4, 2020, including K. Schroth as VCAF and Colletta as Chief of Staff, K. Schroth approached Colletta, his son's new direct supervisor, with a folder of career sensitive content, including compensation analysis, and advised him that Jeremy Schroth was under compensated. Colletta served on K. Schroth's search committee, and K. Schroth served on Colletta's.

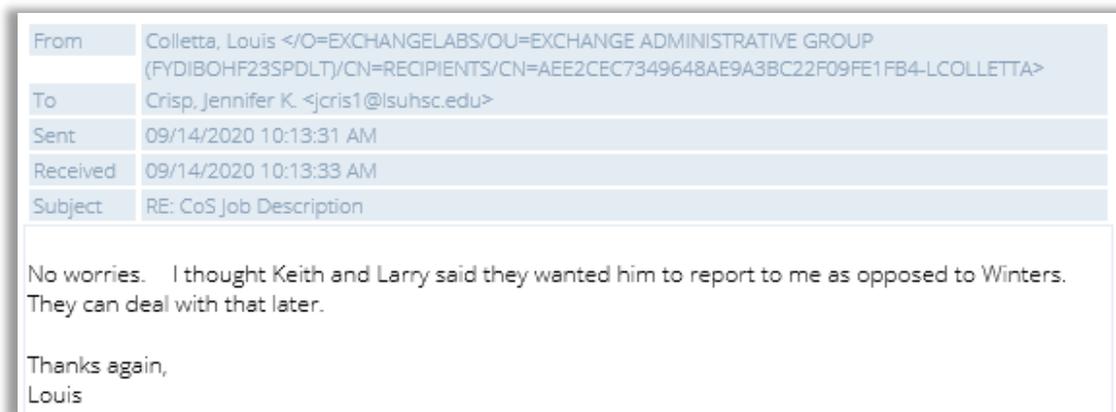
Contents of the folder included:

- Job description for J. Schroth's current title as Digital Marketing and Production Manager with national and local salary compensation analysis for Creative Design – Manager and Media Productions – Director positions.
- Job description for an Executive Director of Creative Services & Marketing position with the same national and local salary compensation analysis.
- Correspondence from J. Schroth to K. Schroth containing a receipt from The University of Vermont and certificate of completion of a Digital Marketing Fundamentals Program Certificate, dated September 28, 2020.

- Communication between K. Schroth and Assistant Vice Chancellor for IT Ken Boe on November 6, 2020, regarding arrangements to transfer an employee to the new department [Creative Services & Marketing] under the direction of J. Schroth.
- Employee title, position, & pay grade information for J. Schroth and the above employee to be transferred.

Colletta acknowledged that after he was appointed Chief of Staff, K. Schroth approached him and gave him a folder containing suggestions for compensation for his son, J. Schroth. Colletta said that he never looked at the folder and had his Administrative Assistant file it away. Colletta also said that, while it was inappropriate for K. Schroth to approach him with such a file for his son, he never felt compelled to act. However, Colletta went on to describe actions he did take to look into the matter as a result of his interaction with K. Schroth, including talking with J. Schroth’s former supervisors, Assistant VC for IT, and the VC for Clinical Affairs & CEO of LSU Healthcare Network, and other stakeholders to find out more information regarding J. Schroth’s past performance. Colletta said the feedback he received was mixed, so he determined that J. Schroth’s pay was more than adequate.

Documentation reflects that Colletta believed that K. Schroth was involved in the decision to move J. Schroth to report to Colletta. The following communication indicates discussions were held on or before September 14, 2020, while developing the Chief of Staff position, during which Colletta was informed by K. Schroth and Chancellor Hollier that it was their desire that J. Schroth report to him [Colletta], as Chief of Staff.



During interviews, many employees shared concerns regarding what they indicated appeared to be an inappropriate, significant interest and influence from the LSUHSC-NO Administration on the advancement and salary of J. Schroth. The following email, dated September 29, 2020, is an example of the communication of these concerns.

From: Colletta, Louis <lcolletta@lsuhsc.edu>
Sent: Tuesday, September 29, 2020 2:16 PM
To: Higginson, Cori L. <chigg3@lsuhsc.edu>
Subject: RE: To whom should I address this concern

I understand and Jeremy's role will move under the Chief of Staff position when and if that position is filled. At this time, there is not much we can do but if I apply and get the COS position, there will be no more raises and strict scrutiny. Unfortunately, I do believe that there will be some blowback on this but I am told that Jeremy is working hard. We will work on the other issues.

Best,
Louis

From: Higginson, Cori L. <chigg3@lsuhsc.edu [mailto:chigg3@lsuhsc.edu] >
Sent: Tuesday, September 29, 2020 1:31 PM
To: Colletta, Louis <lcolletta@lsuhsc.edu [mailto:lcolletta@lsuhsc.edu] >
Subject: To whom should I address this concern

This is an ongoing situation, complaint. Sara actually responded that the recent increase in pay that Jeremy had was not warranted. This is the person who is responsible for our "marketing/branding"—not supported by his degree, nor is it supported by any evidence of work. We had trouble even getting him to commit to taking pictures for employee appreciation week when we were literally open to any day or time. This additional request, when I can't even get an additional 1200 a month for Melissa handling benefits is—quite frankly—infuriating and ridiculous. Sara responded that she feels this is excessive and not supported by the demands. Anyone you ask outside of the 8th floor will tell you that Jeremy has been hand moved out of positions and under other supervisors since the moment he arrived having "failed" at other departments. I'd be happy to discuss this with someone, but don't know who TO discuss it with. These are the sort of compensation changes that virtually my entire staff sees, so you can appreciate the sense of zero worth they experience when I can't even get approval on a 1200/month per for mgmt. responsibilities of someone making 63k a year.

K. Schroth acknowledged giving Colletta the folder sometime after the appointments. K. Schroth said he disagreed with HRM's assessment of J. Schroth's position and pulled the pay comps (benchmarks) and provided them to Colletta. Schroth said he told Colletta that the package contained some benchmarks and information regarding J. Schroth and that J. Schroth had potential, if Colletta wanted to look at him.

7. LSUHSC-NO Administration failed to timely approve additional compensation valued at nearly \$6,000 for Melissa Eckroth for additional duties performed. These duties were ultimately recognized as outside the scope of her normal duties and compensable.

On July 6, 2020, the HRM Assistant Director of Benefits, Melissa Eckroth's supervisor was unexpectedly terminated. His duties were immediately undertaken by former Benefits Consultant Melissa Eckroth at the request of former Director of HRM Cori Higginson, with the understanding that additional compensation would be approved. However, administration failed to approve the additional compensation until November 2020, after significant effort and repeated requests from Higginson.

Higginson said that Eckroth became the most knowledgeable in her department. She immediately took on the additional supervisory duties and became an "indispensable asset." Higginson acknowledged that she, Higginson, did not have extensive "benefits knowledge," so everything related to benefits was directed to Eckroth. Higginson said Eckroth went way above and beyond for this department. In fact, in an email to Colletta,

Higginson further complimented Eckroth's performance and said, "Technically she is operating as an Asst. Dir."

Since Higginson was still new to the department (hired March 2020), she acknowledged that she was slow in getting the "official" request to K. Schroth. On September 25, 2020, with no response from Keith Schroth, Higginson submitted the additional compensation request, dated August 4, 2020, to Chancellor Hollier. The letter requested additional compensation in the amount of \$1,250 per month for a period of 6 months or until the appointment of a new Assistant Director of Benefits. Higginson said K. Schroth called her with a "counter proposal" and requested that she resubmit a request for a lower amount because Hollier did not like to give over 10% of the employee's salary, and since Eckroth only made approximately \$63,000 per year, the request exceeded that percentage of base salary and could not be approved. Higginson noted that pay for additional duties should only depend on those additional duties, not on a percentage of salary. She said Eckroth was already "grossly underpaid" and should not have been penalized because her salary is considered too low to pay her what the additional duties were worth.

K. Schroth provided the Office of Internal Audit with a copy of the additional compensation request submitted by Higginson bearing his signature, dated September 25, 2020, and said that, after a verbal discussion with Hollier, he signed the request and sent it back to HRM for processing. He did not know what happened to the form after he submitted it to HRM. In an interview, Eckroth said Higginson told her that she (Higginson) was not going to ask anymore to have Eckroth's additional compensation approved, since it continued to be denied, and that she would wait until Louis Colletta took the position as Chief of Staff and take the request to him.

In communication with Colletta from October 14 – 20, 2020, Higginson said that Eckroth should be making about \$72,000 for her current position and that the additional compensation would get her close to where she should be without it. Higginson voiced other frustrations, including the recent "outlandish" additional compensation amounts approved by Hollier and submitted to HRM; among those were requests for K. Schroth and his son, Jeremy Schroth. On October 16, 2020, Colletta stated the following:

- "I do believe that HR will transition to the CoS [Chief of Staff] by December 1. Things will be different and better. Please try to hang on until that time."

The additional compensation requests by Higginson are summarized below.

- On September 23, 2020, two days before Higginson's request on behalf of Eckroth, HRM received a request, already approved by Hollier, for a full year of additional compensation for Jeremy Schroth in the amount of \$16,480, or 20% of his current annual salary of \$82,400.04.
- On October 20, 2020, HRM was notified by the Chancellor's Administrative Officer of plans to continue with additional compensation for K. Schroth in the amount of \$92,310.96, or 23% of his current annual salary of \$402,216.60. HRM received a formal request for additional compensation from Hollier on October 26, 2020.

On November 19, 2020, Higginson submitted another additional compensation request to Chancellor Hollier for Eckroth that also requested retroactive payment from July 6, 2020, when the additional duties were assumed. Additional compensation in the amount of \$1,500 per month was approved for Eckroth, but retroactive payment was denied.

As a result, failures in the approval process appear to have caused Eckroth to have been under-compensated a total of \$5,909.68, gross, for additional duties performed during the period of July 6, 2020 – November 5, 2020, when additional compensation was approved for continued performance of the additional duties.

8. Minimum required qualifications for two position searches were revised during the search process so candidates who did not meet the initial minimum required qualifications could be hired.

A review of documentation determined that the minimum qualifications for candidates applying to for the Director of HRM and Chief Compliance Officer positions, which were overseen by Louis Colletta, were revised to fit the qualifications of the preferred candidates and qualify them for the appointment.

Director of HRM

The Director of HRM position posting ran from September 4 – 18, 2020, with Colletta serving as the Search Committee Chair. The position was restricted to internal candidates only and had a minimum education requirement of a bachelor's degree in either business management or human resources. The advertisement drew a total of six applicants, but only Cori Higginson met the internal candidate requirement. However, by September 28, 2020, the administration had been alerted to the fact that Higginson did not meet the minimum education requirements, as she indicated on her application.

After the issue was brought to the attention of the Office of Compliance, the position advertisement was re-posted on September 28, 2020, with an amended description that removed the degree discipline specifications, requiring only a bachelor's degree, and allowed Higginson to qualify for the appointment. However, it should be noted that the minimum qualifications for the Assistant Director of HRM positions reporting to the Director of HRM still required the candidates to possess specified degrees relevant to their area of expertise, making the qualifications for the Assistant Director of HRM positions more restrictive and strenuous than the Director of HRM position.

On September 29, 2020, Colletta informed Hollier of the search committee's unanimous support of Higginson for the role and that, due to an "error in the original job posting," the position had to be reposted and that, if no further applications were received, the committee recommended offering Higginson the position.

On October 13, 2020, Colletta apprised Hollier of the close of the re-posted position, with Higginson as the only candidate, and the Search Committees' "overwhelming" recommendation to appoint Higginson as permanent Director of HRM.

Both advertisements drew a total of eleven applicants, but Cori Higginson remained the only internal, and therefore qualified, candidate. During an interview, Hollier said that he,

with counsel from Keith Schroth and Colletta, made the decision to advertise internally, and he did not see anyone else in the department who could have been put in the Director position for HRM. Hollier said Director was actually not as high as Higginson could have gone, referencing Colletta's high recommendation of Higginson earlier that year. On July 9, 2020, Colletta "strongly" recommended Higginson be "given the title of Associate Vice Chancellor of Human Resource Management" and described Higginson as "the most effective human resource professional that I have ever worked with..."

Hollier said Higginson was appointed Director of HRM by Colletta after conducting the search. However, according to Hollier, it later became evident that Higginson was "stirring the pot" and that appointing her turned out to be a "big mistake." Higginson's appointment was announced on November 4, 2020, with the appointments of VCAF Keith Schroth and Chief of Staff Colletta. Higginson was placed on administrative leave on February 17, 2021, and she resigned as Director of HRM on April 20, 2021.

Compliance Officer

Frank Wasser was appointed "Compliance Officer" although he did not meet the initial minimum requirements of the job, i.e., the possession of a license to practice law in Louisiana. The first posting for Compliance Officer ran from November 15 – 29, 2019. Colletta, serving in his former role as Chief Counsel at LSUHSC-NO, was charged with oversight of the Compliance Officer and the search to fill the Compliance Officer position. Colletta stated in an interview that he first became aware that Wasser did not have the required Louisiana Bar license after Wasser was offered and accepted the position. However, Colletta's statements are contradicted by those of Wasser and appear to be inconsistent with the information gathered, as detailed below.

On November 19, 2019, Wasser uploaded his resume and applied for the position, acknowledging that he did *not* have an active Louisiana State Bar License and was subsequently disqualified by PeopleAdmin. On November 20, 2019, Wasser uploaded the same resume and applied for the position a second time, this time asserting that he did have an active Louisiana State Bar License.

Wasser said that he resubmitted his application on November 20, 2019, after receiving approval from an HRM representative to do so. Wasser said the following explanation summarized his discussion with the HRM representative and was included on his November 20th application:

- "Currently licensed to practice law in the State of Georgia. Previously licensed as in-house counsel in Louisiana. Although my license to practice in Louisiana is not currently active, renewing my license as in-house counsel is a simple process and can be done fairly quickly if I am offered this position. This morning I spoke with an HR Representative to explain this situation, and I was instructed to answer the supplemental question with a "yes" regarding whether I have an active license to practice law in Louisiana in order to avoid having my application automatically disqualified."

Wasser was allowed to proceed through the application process. According to Wasser, he knew Colletta from past professional interaction and met with him after interviewing with Chancellor Hollier, on December 23, 2019. Wasser said his lack of a Louisiana license was discussed during this meeting with Colletta.

Wasser was approved for hire on January 3, 2020, and his signed Letter of Offer, dated January 7, 2020, had been received and entered by January 17, 2020. However, by January 28, 2020, the Compliance Officer position had been relisted through February 10, 2020, with the required bar licensure changed to any active state bar license per Colletta's instructions, thereby allowing Wasser to meet the minimum qualifications. Wasser re-applied that same day, uploading the same resume used in prior applications and acknowledging he possessed "a bar license in any state." A new Letter of Offer dated, January 11, 2020, was issued, and Wasser was subsequently hired, effective February 18, 2020.

It should be noted that no documentation of a formal, written notice to rescind Wasser's first Letter of Offer could be produced. Personnel questioned regarding the rescission, including Colletta, believed the rescission was made verbally, but none could remember who gave notice or when it was given. Wasser said he could not remember who called him about the decision to re-run the search, but he was told that he would need to reapply because it would be the best way to "clear things up." Wasser also said that, though he was "not specifically assured" that he would receive the appointment during the second advertisement, he "assumed" he would end up with the job, since he had already received one Letter of Offer, and since the position was being relisted for the purpose of making things clearer. Colletta's communication with HRM on January 28, 2020, to relist the position appeared to support Wasser's understanding. Colletta wrote the following to former HRM Director Martin to request that the minimum requirement be changed and indicated that the second search's purpose was to allow Wasser to begin employment after its conclusion.

From: Colletta, Louis <lcolletta@lsuhsc.edu>
Sent: Tuesday, January 28, 2020 8:38 AM
To: Martin, Rosalynn <rmr11@lsuhsc.edu>
Cc: Crisp, Jennifer K. <jcris1@lsuhsc.edu>; Colletta, Louis <lcolletta@lsuhsc.edu>
Subject: Frank Wasser - Compliance Officer Position

Rosalynn,

Can we please have the posting for the compliance officer position re-posted ASAP without the requirement for a Louisiana Bar license? We should just change that section to require a bar license and leave off Louisiana. If we can get this posted today, as we discussed yesterday, Frank should be able to begin February 18. Please let me know if this can happen.

Thanks,
Louis

However, during the review of applicant files, at least one other applicant was noted who did not appear to have received the same consideration, even though she was similarly situated. She appeared to be well-qualified and, like Wasser, met all stated requirements except for a license to practice law in Louisiana.

Other Applicants for the Compliance Officer Position

Additional information regarding three other applicants for the Compliance Officer position.

- *Applicants 1 and 2:* A review of documentation indicated that Applicants 1 (self-identified black or African American female) and 2 (demographics not disclosed) appeared to have met the minimum requirements stated in the advertisement for the position (qualified) and should have been presented to the committee for consideration. However, their resumes were not included with other qualified applicants in Colletta's email to the Search Committee on December 2, 2019. In this communication, Colletta included resumes for three candidates for the committee's review and stated, "Sadly, we only received five resumes and only three of which are qualified." In total, the first search received nine applications from eight applicants (two applications were Wasser's, discussed above) and produced four qualified candidates, not including Wasser. Both of the other candidates presented to the search committee withdrew from the search, leaving only one candidate who did not meet the stated minimum qualifications (unqualified) to interview for the position. Colletta stated, "The term "qualified" can be both subjective and objective," and he acknowledged that he determined as to which candidates "qualified" based upon his 20 years of legal experience and presented his selection of the "top three candidates" to the committee for an interview.
- *Applicant 3:* Review of documentation indicated that Applicant 3 (self-identified black or African American female) appeared to have been disqualified solely for not meeting the exact minimum requirement that disqualified Wasser: possession of an "active Louisiana State Bar License." However, it does not appear that Applicant 3 received the same opportunity for exception afforded to Wasser (as discussed above). All things being equal, Applicant 3 appeared to be a particularly well suited and highly qualified potential candidate for the position as a CPA with extensive experience with institutional compliance at the Executive Director level. With the decision to readvertise for the position due to Wasser's disqualification, there does not appear to have been any effort to contact other applicants who participated in the first search, particularly those who, like Applicant 3, would have then qualified with the removal of the "Louisiana" specification for bar licensure. Colletta said that the other original top candidates were not contacted because they had withdrawn from the search, but they had to contact Wasser "because he had already been offered the job, which needed to be rescinded and was."

9. Chancellor Hollier terminated the Former VCAF and two Co-Interim HRM Directors without a proper investigation, primarily based upon limited information from Higginson, who was vying for higher position at the time.

Review of documentation indicated Former Vice Chancellor for Administration & Finance (VCAF) John Harman and two Co-Interim HRM Directors, Nicole Kellum and Peter Lloyd, were terminated by Hollier without a proper investigation, based largely on reports and recommendations from Cori Higginson. Actions taken against the employees occurred while Higginson was vying to be Head of HRM, a position that Harman did not feel Higginson was ready to assume. Other than some inquiries made by Hollier of those reporting the allegations, no substantive investigation was performed, and there was no documentation of the investigation provided outside of Higginson's email report.

10. Reports of retaliation.

Throughout our review, many of the employees we interviewed consistently expressed their fear and distrust of administration; many of whom stayed home to participate in Zoom interviews for fear of someone hearing them or requested communication flow through their personal email address for fear of them being actively monitored and mined for information. One such employee, discussing events that transpired during the HRM Assistant Director searches, said that recent events scared them, and many others also, but the actions taken by Administration during these searches (discussed below) have only served to increase those fears.

Other employees reported their belief that actions taken against them were retaliation for objections raised to the administration's hiring or personnel practices, including the three employees below, two of whom have since separated.

Cori Higginson – Director of HRM:

In January 2021, Chief of Staff Louis Colletta took over the search process already underway to fill the three Assistant Director of HRM positions in HRM, relieving Director of HRM Cori Higginson of the ability to appoint her own direct reports. On January 8, 2021, less than two weeks prior to these actions taken by Colletta, Higginson objected to personnel actions planned by the Administration, which she described as "brazen," considering the fact that the LSUHSC-NO's hiring practices were currently under investigation by the Office of Internal Audit. Higginson stated, "This is exactly what landed us where we are— trying to get straight to a desired result instead of following procedure and best practices." Higginson and Colletta met on January 12, 2021, to further discuss the issue; after which, Colletta notified Hollier that the issue had been "dealt with" that morning and that the personnel action would go through, but Higginson had informed him that she would be reporting the issue to the Office of Internal Audit. Colletta informed her that the Chancellor had sole authority to make decisions relative to the Health Sciences Center. Shortly after the meeting, Higginson reported the issue to the Office of Internal Audit.

Approximately one week later, as advertisements to fill three HRM Assistant Director positions closed on January 19, 2021, Higginson said she was contacted by Chief of Staff

Louis Colletta, who told her he was taking over the screenings. Colletta provided the names of candidates she was instructed to interview and the names of personnel he had chosen to staff a search committee to serve for all three assistant director positions. The search committee would be comprised of eight members, including Higginson and Colletta. Higginson said this shocked her because, historically, it was the director's prerogative to select their own reports and rarely involved anyone else.

Higginson said that "every aspect of the hiring process" to fill the three relatively low-level HRM Assistant Director roles was "dictated in whole by Louis Colletta." Higginson said that she was not allowed to select the candidates. Higginson said that her meetings with Colletta became less personal, and their weekly one-on-one meetings had become little more than "fishing expeditions," with Colletta trying to get her thoughts and opinions regarding the ongoing investigations, including why anyone would question his gratis appointment. Higginson said that, in a one-on-one meeting held in early February, after Colletta had taken over the search process, it became clear why Colletta was not pleased with her when Colletta shared that Frank Wasser had informed him that she had expressed feeling micromanaged.

On February 11, 2021, remote interviews of all candidates had been completed. The next day, Friday, February 12th, Higginson held a Zoom staff meeting to discuss the assistant director search and other internal issues. Staff members who could not attend were instructed to watch a recording of the meeting and provide feedback. By this point, the search committee had selected external candidates for two HRM Assistant Director positions.

According to the HRM Senior Consultant for Talent Development, Samantha Puszczewicz, an internal candidate for the HRM Assistant Director of Talent Development position, Higginson reached out to her the following Monday, February 15, 2021, and "informally" notified her that she was the highest scoring candidate. She said Higginson informed her that an offer letter could not be issued yet because Colletta had instructed her that Hollier would have the final say and that he still needed to review for approval.

On Thursday, February 17, 2021, memos were issued to Higginson and staff informing them of Higginson's suspension pending review and the temporary engagement of an external human resources executive consultant to assist with day-to-day operations. The staff memo cited recent concerns regarding department morale and performance that grew after receiving internal complaints and reviewing the recording of Higginson's February 12th Zoom staff meeting. Higginson's memo was more detailed and cited concerns regarding her "admitted and improper disclosures of interview questions to internal candidates" and "disclosure of an Internal Audit investigation to employees who had no need to know."

Higginson said the investigation was common knowledge in the department and provided the following response:

- "This team has had to be a part of the request for production of personnel files, PM-11s, email exchanges & requests, and thus they were aware of the investigation to a broad degree, and frankly so is the rest of campus because

some reporters of the complaints last year speak freely of the investigation. Thus, though Mr. Colletta expressed outrage that this was mentioned, it was not a revelation.”

During interviews, Higginson provided additional clarification and said she requested the internal candidates submit sample interview questions based on their knowledge of their specific areas. She said it was impossible for her to be a subject matter expert, so she thought it wise and would lead to better questions that could potentially be used. Some, not all, of the questions and information received from the internal candidates were used, but at no time were the internal candidates provided the exact questions to be asked. Higginson said that if the internal candidates had the exact questions, they likely would have performed much better. A search committee member shared a similar opinion, and said they found it hard to believe Higginson disclosed interview questions, noting that it did not seem to impact the results.

On February 21, 2021, Higginson (terminated, effective April 20, 2021) reported concerns of retaliation to the Office of Internal Audit. Higginson stated in part –

- “...I have continued to be an eyewitness to unethical decisions made by an administration whom I have heard state *carte blanche* "can do anything they want to do." As a Human Resources professional, I have found myself in almost constant situations where I've been faced with the decision to go along with the administration's desires or follow ethical best practices. I suspected that at some point my continued questioning and push back in situations where HR decisions were being made would result in my falling out of favor with administration and it has. I also firmly believe that as soon as I began to cooperate with the investigation that began last year, my days were numbered. On file with your office is a concern over whistleblower retaliation fears. Notably I was most concerned about Keith Schroth at that time, chiefly because I spoke out rather strongly against his son's proposed promotion & raise. At the time, as is my nature, I believed the best in the rest of the administration. That changed very quickly when Louis Colletta's tone changed, and I became aware of discrepancies that I could not align with ethical behavior.”
- “I believe that my suspension is a direct act of retaliation against me for 1) refusing to engage in promotions and hiring practices not aligning with EEOC requirements and our own PMs/CMs, and 2) cooperating with the ongoing investigation by Internal Audit.”

During interviews, Higginson said that Hollier was very vocal about LSU Administration’s interference in LSUHSC-NO business, and there was an overall view of outside influence as “hostile.” Higginson said it was suggested to her that the Office of Internal Audit was viewed as “the enemy.” Higginson said Colletta also advised her “not to share any more than is absolutely necessary” with Internal Audit.

Higginson said things changed quickly for her once Colletta was appointed to Chief of Staff. She recalled that Colletta once read her an email (see the excerpt from the July 9, 2020,

email below) that he said he sent to Chancellor Hollier praising her performance and recommending a significant raise for her with the appointment to permanent Director of HRM, but her participation in investigations has been her self-destruction, even though she was just doing what she was asked to do.

On July 9, 2020, Colletta provided Chancellor Hollier with the following recommendation that Higginson receive the position of Associate VC of HRM, and a considerable salary increase:

- “I have had several discussions with Cori relative to her position. Having done employment law for almost 20 years, she is the most effective human resource professional that I have ever worked with including my time as an equity partner with ...one of the largest and best law firms in the United States according to AmLaw. I strongly recommend that she be given the title of Associate Vice Chancellor of Human Resource Management. I think giving her an interim title will inhibit her ability to effectuate the change that needs to occur in that department and she will less likely have buy in by her subordinates as interim. At Akerman, we were paying our HR Director in the range of \$225,000. I would endorse increasing her to at least that level and she certainly needs to earn more than the \$182,000 that I earn each year with LSU. LSUHSC has to keep good people in the organization and she is excellent. Please let me know if you would like to discuss or have differing opinions.”

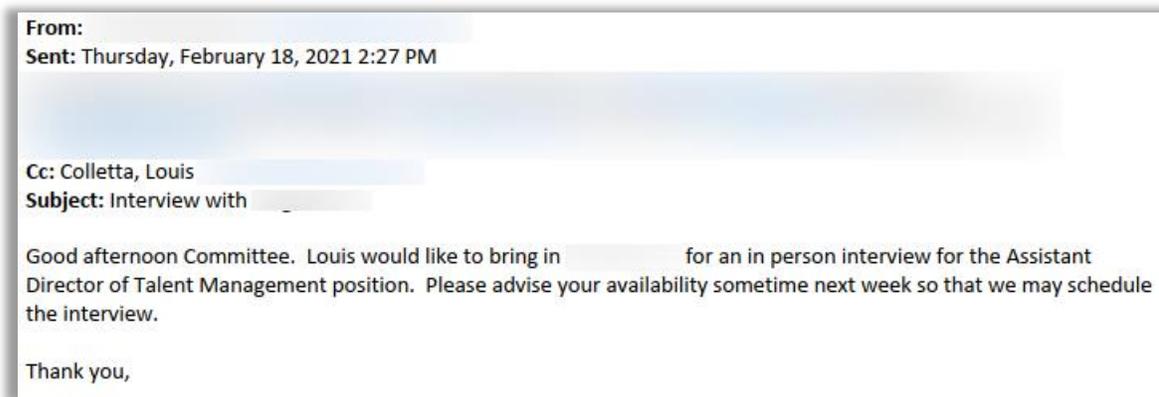
Samantha Puszczewicz – Senior Consultant for Talent Development:

As noted above, Samantha Puszczewicz was an internal candidate for an Assistant Director position in HRM and, having gone through the interview process, was the top choice of the search committee. Puszczewicz believed that she was well-qualified and suited to the position indicating that, with 15+ years of experience, she was very knowledgeable in her field, very prepared, and extremely good at presenting and giving interviews. However, on February 17, 2021, after Colletta’s memos to Higginson and staff, informing them of Higginson’s suspension, Samantha Puszczewicz reported concerns of retaliation to the Office of Internal Audit. Puszczewicz stated the following in part:

- “Everyone is in fear of their jobs, and I believe I will also be their next victim even though we are told state employees have whistleblower protection it sure doesn’t seem that way when good men & women that give their all to try and change the toxic culture. ...Please help, you are our last hope. And if internal audit can’t help us, please point me in the direction of who can. Again, let this serve as notice that I am enacting my whistleblower protection rights...”

Puszczewicz said that after the completion of the interview process, Colletta accused her of having received interview questions in advance and, therefore, having received an unfair advantage. She said that Colletta never asked her whether Higginson actually gave her the interview questions, which she denied, saying that there was zero chance that Higginson provided her with the interview questions.

Puszczewicz said Colletta contacted her at approximately 4:00 pm on the afternoon of February 18, 2021. He accused her of receiving the interview questions and told her, “We’re not allowing you to have the position.” Puszczewicz said Colletta informed her that the search process would be restarted. Puszczewicz said she then reached out to a search committee member and was told that the search committee had not discussed restarting the process, and in fact, they had recently been informed of Colletta’s desire to move forward to conduct an in-person interview with an external candidate. Puszczewicz said she believed Colletta was working to deny her the position. The search committee member provided the Office of Internal Audit with a copy of the communication received (see below) from Colletta’s Administrative & Records Officer earlier that afternoon, at 2:27 pm:



The search committee member said they received an email later that afternoon in which Colletta informed them that, in light of information he became aware of last weekend, February 12 – 13, 2021, he had decided to re-advertise for the position. The committee member said Colletta later confirmed that the decision to re-advertise was based upon his belief that Higginson’s statements in a Zoom meeting indicated the internal candidate obtained an unfair advantage as a result of having received interview questions in advance. The committee member expressed concern regarding the number of “8th floor”¹ members serving on the committee, including Colletta and the Chancellor’s Administrative Officer, and said none of them needed to be involved. The committee member said “8th floor” committee members wanted the outside candidate, but the rest of the committee wanted Puszczewicz. The committee member also said they noticed the original position description had been taken down and were informed that it was because Colletta was going to readvertise the position. However, the committee member said that the position description had been changed when the position advertised again.

A review of candidate scores and interviews of committee members indicated Puszczewicz was the clear frontrunner for appointment in the first-round search for HRM Assistant Director of Talent Management. Additionally, there would have been no need, or desire, to re-do the search if, an external candidate would have received the highest scores.

¹ “8th Floor” is a term used to describe the primary floor housing offices for most of the high-level Health Sciences Center (HSC) personnel, including the Chancellor, Vice Chancellors, Chief of Staff, and their administrative staff.

A review of the position descriptions used in both searches confirmed that, while position number and minimum education qualifications remained the same, the title “Assistant Director of Talent Management” was changed to “Assistant Director of Talent Acquisition and Development,” sections outlining “Required Knowledge, Skills, & Abilities” and “Preferred Knowledge, Skills & Abilities” were removed, and some alterations were made to the position’s duties for the second search.

Re-advertisement – HRM AD of Talent Acquisition and Development

Advertisement for the second round search for Assistant Director of Talent Acquisition and Development ran from February 22, 2021, to March 7, 2021. Puszczewicz was again selected for interview but withdrew from consideration for the scheduled interview when she learned that an external candidate, Juli Sholar, scheduled for an interview was employed at Colletta’s former place of employment, the Port of New Orleans, and was also a longtime Facebook friend of Colletta’s. Puszczewicz provided the screenshot below as documentation of the relationship.



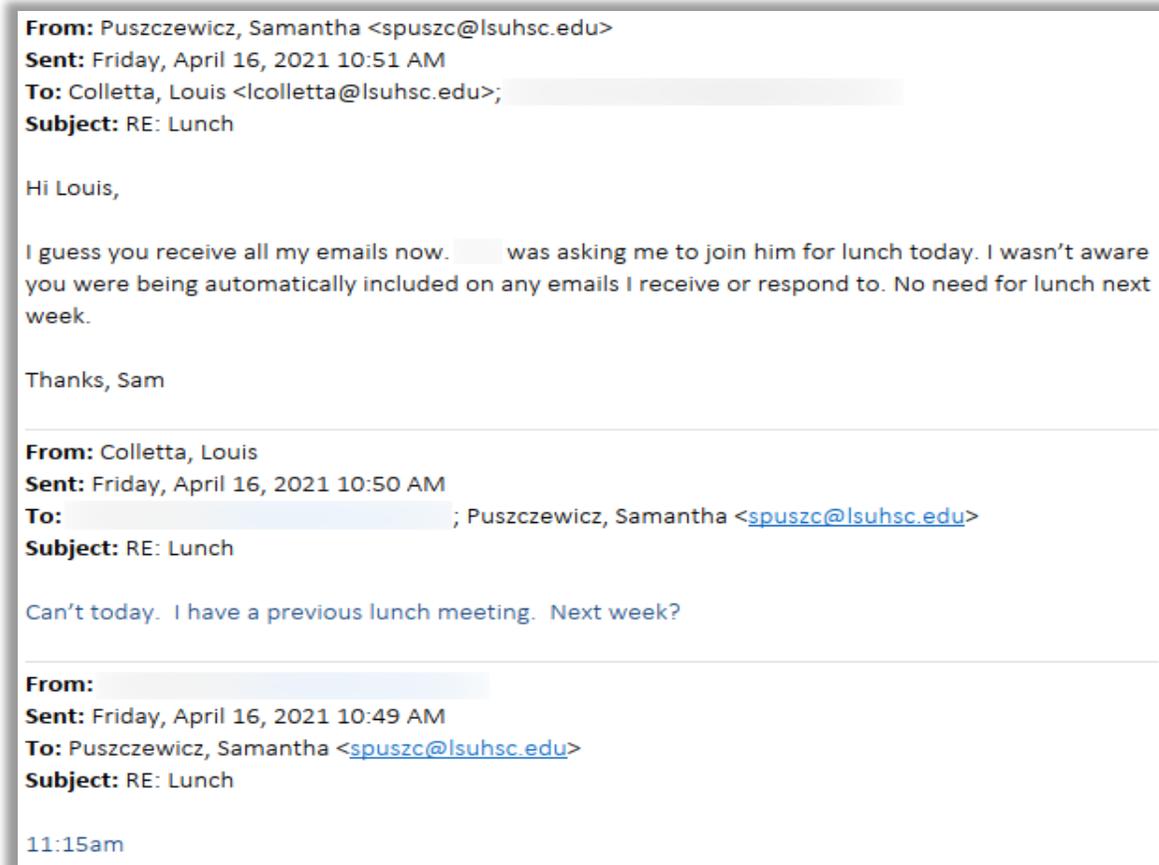
Puszczewicz said she could see that Colletta clearly already had someone else in mind and that she would not get a fair shot at the position, so she removed her name for further consideration and dropped out of the search. A second internal candidate who was contacted for an interview subsequent to Puszczewicz withdrawing and who participated in the first round of interviews said they felt that their interview was purely a “courtesy interview” and that Colletta had no real interest in considering them for the position. The internal candidate believed the decision had already been made to hire the external candidate.

The search committee selected the external candidate to fill the last HRM Assistant Director position of Assistant Director of Talent Acquisition and Development and received a salary that exceeded the position budget by \$26,900 at the request and approval of Colletta and Hollier.

Louis Colletta Monitoring of Employee’s Emails

Puszczewicz reported on April 21, 2021, that Colletta was monitoring her LSU Health Sciences Center employee email account in real-time. The excerpt below is from an email exchange during which she first became aware that Colletta was actively monitoring her

work (lsuhsc.edu) email account. Puszczewicz said that on April 16, 2021, a coworker had invited her to lunch, and before she could respond to confirm the time, Colletta responded that he could not meet due to a prior engagement.



It should be noted that many employees encountered at LSUHSC-NO believed their emails were being monitored. The above example appeared to demonstrate the validity of such concerns, at least in this case.

After confronting Louis Colletta for monitoring her emails, on April 26, 2021, Puszczewicz reported that she had been stripped of her supervisory responsibilities on Friday, April 23, 2020, and was facing demotion, so she submitted a “Notice of Involuntary Resignation and Departure” and resigned, stating that it was for her own protection and due to her employer’s actions against her.

During interviews, Hollier said he knew Colletta was monitoring Puszczewicz’s work email in real-time because, “we were concerned about what she was doing and what she was saying to other folks,” and that Puszczewicz was “destabilizing” things in HRM. Hollier noted that Puszczewicz was really upset about redoing the search for HRM Assistant Director of Talent Management and that she wrote a lot of complaints and eventually resigned. He said this was good because it allowed things to calm down a lot.

Frank Wasser – Compliance Officer

On January 4, 2021, Wasser reported issues with actions taken by members of Administration at LSUHSC-NO and provided related information to assist the Office of Internal Audit with the investigation. Wasser also recounted an impromptu meeting with Hollier in Colletta’s office in which Wasser described Hollier addressing subjects that had been discussed earlier, privately, in Colletta’s office and making statements that Wasser said could have been taken as a subtle threat. Wasser said Hollier mentioned having “spies” in the institution and quoted the following from Winston Churchill –

- “Nothing in life is so exhilarating as to be shot at without result.”

On May 4, 2021, administrative action was taken to promote Wasser’s subordinate, Compliance Internal Auditor Lori Ferro, to a newly created position, Director of Compliance, supervising Wasser. Wasser, who was recommended for appointment to Compliance Officer by Colletta in 2020 (discussed in Finding 8, above), was then demoted and removed as head of the Office of Compliance and made to report directly to Ferro, his former subordinate. Hollier said that the Ferro was capable and experienced, and they could use someone like Wasser in the field. Regarding Wasser’s performance, he said that Wasser was “getting there, but he’s not quite there yet.”

For reference, the reporting structure established for the Office of Compliance is illustrated on the 2020 Chief of Staff Organizational Chart provided in Appendix A.

On June 11, 2020, Wasser reported –

- “As you are aware, I was recently demoted. I no longer have oversight of the Compliance Dept at LSUHSC-NO. I also no longer have any direct reports, was moved into a much smaller office, and was originally told that my pay was being reduced. I contended at the time of my demotion, and I continue to believe, that my demotion was predicated on my having previously prepared a report to internal audit.”
- “...in order to protect myself from the possible threat of further retaliatory conduct, I think it is best that I retain counsel and have them sit-in on any additional inquiries related to the investigations into the administration at HSC.”

Other Separations

On February 11, 2021, HRM Senior Benefits Consultant Melissa Eckroth reported unfair treatment by the LSUHSC-NO Administration in the application of additional compensation policies to deny approval of payment of additional compensation due her for the four (4) month period worked before the Administration approved of her additional compensation request on November 5, 2020. Eckroth cited others who had received prompt approval of additional compensation or approval for retroactive application, including Vice Chancellor for Administration & Finance Keith Schroth and said she felt Administration’s actions in her case demonstrated a “double standard” in treatment. Eckroth’s report was investigated, and the results were noted above in Finding 6.

Eckroth was also an internal candidate for the HRM Assistant Director of Benefits position, included in the HRM Assistant Director searches discussed above, and as other internal candidates also shared, was upset with the process and the results. Eckroth said the combined frustration and disappointment with the searches, on top of the way her additional compensation request was handled, was too much to take, so she decided to leave the Health Science Center. Eckroth pointed out that she was the most senior person in her area (Benefits). She said HRM’s turnover rate was “incredibly high,” and there was little or no institutional knowledge or continuity in the department. Eckroth was appointed in November 2018 and resigned on April 19, 2021, after serving two and a half years.

During the course of the investigation, the actions below were noted for Higginson, Puszczewicz, Eckroth, and Wasser, all of whom, made reports related to actions of the LSUHSC-NO Administration to the Office of Internal Audit and provided assistance during the investigation.

| Date | Title | Action |
|-----------------|--|------------------------------|
| Feb-2021 | Director of Human Resources | Termination - Involuntary |
| Apr-2021 | Sr. Benefits Consultant (HR) | Termination - Voluntary |
| Apr-2021 | Sr. HR Consultant for Talent Development | Termination - Voluntary |
| May-2021 | Compliance Officer | Supervisor Change (Demotion) |

11. Allegations indicating Robert Laughlin did not meet the minimum requirements for appointment to Dean of Dentistry were unsubstantiated.

Allegations were received indicating Laughlin did not meet minimum qualifications for the Dean of Dentistry position. However, the preliminary review determined the allegations to be unsubstantiated, and no further investigation was warranted. Dean of School of Medicine (SOM), Search Committee Chair, acknowledged that he was brought into a search that got off on the wrong foot by beginning with an “anemic” search that only served to put faculty on edge. He pointed out that the former School of Dentistry Dean personally hired Laughlin and liked him, but he still advised Hollier that to move forward without the faculty’s input would be a mistake and would not be well received by faculty. Search Committee Vice Chair, Louis Colletta, informed the Dean of SOM of Hollier’s consideration of the recommendation and determination that further efforts to engage the faculty were unnecessary.

Dean of SOM said the committee unanimously supported the recommendation of both internal candidates as fully qualified to fill the position. Dean of SOM believed Laughlin had the required education and expertise from a graduate/resident perspective (a higher level) and that it was not an issue. He said that Laughlin’s experience was more than adequate. The biggest issue was the search process itself, not Laughlin’s qualifications.”

Recommendations

1. Management should evaluate and revise as necessary its practices to ensure compliance with University Equal Employment Opportunity policies in the conduct of its employment searches, including addressing the apparent conflicts of interest identified in committee assignments, and revising CM-10 to ensure consistency with goals and requirements of PM-55. Additionally, any searches performed by Management should be conducted meaningfully and in a manner that fulfills the spirit of EEO policies, free from the appearance of any biases. For example, Management should limit use of executive-level employees on search committees who may be viewed as a conflict of interest or surrogate of the Chancellor, particularly the Chief of Staff.
2. Management should take appropriate action to address the Chief of Staff's apparent conflict of interest having been directly involved with the development of the Chief of Staff position, including the development of the job description and influencing of the salary for his personal benefit.
3. Management should re-evaluate its process for the award and payment of additional (supplementary) compensation to ensure compliance with PM-3 and PM-69, and should also re-evaluate, Keith Schroth's compensation for compliance.
4. Management should take substantive and appropriate action to address the appearance of conflict of interest identified regarding VCAF Keith Schroth attempting to influence the advancement and salary of his son, Jeremy Schroth.
5. Management should consult with the Offices of Human Resource Management and General Counsel to determine whether former employee Melissa Eckroth is due any payment for additional duties performed for the period of July 6, 2020 to October 31, 2020.
6. Management should take steps to ensure that any interference or retaliation against employees participating in, or cooperating with, internal audits or investigation is strictly prohibited. Additionally, Management should communicate those steps campus-wide with an affirmation of non-retaliation, that no employee is permitted to engage in retaliation, retribution, or any form of harassment against another employee for reporting concerns, providing information, or otherwise assisting the Office of Internal Audit in the conduct of audits or investigations, and that any retribution, retaliation, or harassment will be met with disciplinary action.

Issues requiring notification to external entities, if any, will be communicated in a manner consistent with legal and confidentiality requirements.

If we can provide further assistance or should you need additional information, please do not hesitate to contact me.

Management Response

On August 24, 2021, LSUHSC-NO Chancellor Dr. Hollier provided management's response to the Confidential Memorandum of Investigation related to the Investigation of Alleged Conflicts of

Interest, Favoritism, Nepotism, and Retaliation by LSUHSC-NO Administration. See the attached management response dated August 20, 2021 for further details.

- c: Larry Hollier, LSUHSC-NO Chancellor
- Robert Dampf, LSU Board of Supervisors
- Richard Zuschlag, LSU Board of Supervisors
- Jay Blossman, LSU Board of Supervisors
- Laurie Aronson, LSU Board of Supervisors
- Wayne Brown, LSU Board of Supervisors
- Lee Mallett, LSU Board of Supervisors
- Pat Morrow, LSU Board of Supervisors
- James Williams, LSU Board of Supervisors
- Jimmie Woods, LSU Board of Supervisors
- Rémy Starns, LSU Board of Supervisors
- Mary Warner, LSU Board of Supervisors
- Glenn Armentor, LSU Board of Supervisors
- Valencia Jones, LSU Board of Supervisors
- Randy Morris, LSU Board of Supervisors
- Collis Temple, LSU Board of Supervisors
- Monica Aguilera, LSU Board of Supervisors
- Donna Torres, Interim Executive Vice President of Finance and Administration and CFO
- Winston DeCuir, Vice President and General Counsel
- Trey Jones, Deputy General Counsel
- Sammy Wyatt, Director – Office of Internal Audit

MANAGEMENT RESPONSE



August 20, 2021

Chad Bracken, CPA, CFE
Chief Auditor
3810 W. Lakeshore Drive, Rm. 122
Baton Rouge, LA 70808

Dear Mr. Bracken,

I acknowledge the receipt of the Confidential Memorandum of Internal Investigation addressed to President Tate dated July 28, 2021 regarding Investigation of Alleged Conflicts of Interest, Favoritism, Nepotism, and Retaliation by LSUHSC-NO Administration. I categorically do not support any of these allegations, and am not convinced that the findings in the report could lead to the conclusions that were made.

In order to unscramble this myth, I would like to first articulate two important guiding principles that I have developed in my career.

- (1) As Chancellor, I lead by example, promote innovation and teamwork, delegate to and empower subordinates, hold people accountable, and reward performance. I provide the vision, structure and process to guide my management team to execute their responsibilities.
- (2) Human Capital is the most important asset of any service organization. LSUHSC-NO is in the business of serving people: educating students, caring for patients, and doing research for a better future for humankind. Our success depends on good people serving people in need. I demand a culture of excellence, collaboration, diversity, transparency and continuous improvement.

Driven by these principles, the most important part of my job is assembling a management team with the best qualified talents who share the same values and work well together to operate, problem solve and advance our organization. Learning from industry best practices, and from lessons from my own experience, I have found that the use of multidisciplinary search committees is an effective vehicle in recruiting my management team for the following reasons:

- (1) Adds value to a highly complex hiring decision
- (2) Increases visibility and reach to qualified candidates
- (3) Improves internal consensus building and acceptance from different stakeholders
- (4) Demonstrates commitment to equity, diversity and inclusion
- (5) Facilitates onboarding of selected candidates

Effective search committees work best in the environment with a sense of ownership, engagement and trust, and have the best chance of helping me find the most suitable addition to our human capital.

This is how I assembled my management team. This is how I operate within the bylaws and regulations of LSU. These are the same principles and human capital that helped me recover LSUHSC-NO from the devastation and destruction by Hurricane Katrina in 2005. We had to downsize staff and cut expenses to survive. We developed new business models and services to become fiscally viable. We attracted new talents to start a new journey. We expanded our medical school class and training programs. We increased our research funding and output. We expanded the Faculty Practice Plan to unleash the multidisciplinary capabilities of our outstanding faculty. We developed strategic alliances with industry to introduce state of art technology to enhance our training program with simulation laboratories. We negotiated affiliation agreements with community hospitals to provide a diverse training environment and referral network for patients. We built and staffed a world-class new academic medical center to serve the public. We have restored our financial strength and clinical expertise that equipped us just in time to confront the Covid-19 pandemic challenge now. In the past 15 years, we weathered through much more changes than anyone could have expected, including staff turnovers. I am proud of my management team and staff who worked together to overcome the adversities in stride.

The internal investigation report included a collection of human resources issues involving my management team that are problematic, and different from my expectation of their performance. The variance can be caused by incomplete or misinformation, misinterpretation, or others. It is not productive to debate those findings in writing. I welcome the opportunity to work with you to design a process to review the facts with our respective staff, so that we can learn from our mistakes and make continuous improvements together.

In the meantime, I have prepared the management responses to the recommendations of the report as follows.

| RECOMMENDATION NO. 1 | Management Responses |
|--|---|
| <p>Management should evaluate and revise as necessary its practices to ensure compliance with University Equal Employment Opportunity policies in the conduct of its employment searches, including addressing the apparent conflict of interest identified in committee assignments, and revising CM-10 to ensure consistency and goals and requirements of PM-55</p> | <ul style="list-style-type: none"> (a) Management always strives to adhere to University EEO policies and will continue to be vigilant in compliance (b) Management will not allow conflict of interest to occur in future search committee assignments (c) Management is in the process of reviewing and revising all Chancellor Memoranda ("CM") and have already updated CM-10 (Equal Employment Opportunity Policy Statement) to ensure consistency with the goals and requirements of Permanent Memorandum ("PM") 55. It was disseminated campus wide on Friday, July 30, 2021. |
| <p>Additionally, any searches performed by Management should be conducted meaningfully and in a manner that fulfills the spirit of EEO policies, free from the appearance of any biases</p> | <ul style="list-style-type: none"> (a) Management values the importance of search committees as guided by the Chancellor's principles and in selecting talents to add to the organization's human capital, and for the purpose of achieving equity, diversity and inclusion. (b) Management will ensure the search committees will be in compliance with EEO guidelines, and will be free from the appearance of any personal biases or outside pressure |
| <p>For example, Management should limit use of executive-level employees on search committees who may be viewed as having conflict of interest</p> | <ul style="list-style-type: none"> (a) Management will continue to follow industry best practices in the use of search committees in recruitment of leadership positions |

| | |
|---|---|
| <p>or serving as a surrogate of the Chancellor, particularly the Chief of Staff</p> | <p>(b) All members of the Chancellor’s management team are professionals who are expected to exercise independent judgement, and not function as “the Chancellor’s surrogate” in the search committees. They should participate as valuable contributing members of search committees and make impartial decisions and recommendations.</p> |
|---|---|

| RECOMMENDATION NO. 2 | Management Responses |
|---|---|
| <p>Management should take appropriate action to address the Chief of Staff’s apparent conflict of interest having been directly involved with the development of the Chief of Staff position, including the development of the job description and influencing of the salary for his personal benefit</p> | <p>(a) We have implemented procedures to ensure that the creation and revision of position descriptions will not involve potential candidates to avoid appearance of conflict of interest</p> <p>(b) We have hired a new Director of Human Resource Management (“HRM”), Dione Heusel, effective hire date of August 1, 2021.</p> <p>(c) Sara Schexnayder, our Compensation Manager, is reviewing the current position description, the duties, responsibilities, and direct reports of the Chief of Staff to assure that the position is properly compensated and commensurate with the level of responsibility and fair market value</p> |

| RECOMMENDATION NO.3 | Management Responses |
|--|--|
| <p>Management should re-evaluate its process for the award and payment of additional (supplementary) compensation to ensure compliance with PM-3 and PM-69</p> | <p>(a) HRM has been charged to review the current practice of awarding supplemental salary to make sure it is compliant with PM-3 and PM-69, and to make recommendations of necessary changes.</p> |
| <p>And should also evaluate KS’s compensation for compliance</p> | <p>(a) We have reviewed the job description and compensation for the VCAF position as compared to market.</p> <p>(b) The VCAF job description now includes the duties for which we had paid additional compensation.</p> <p>(c) All additional compensation will now be included as part of base salary.</p> |

| RECOMMENDATION NO.4 | Management Responses |
|--|---|
| <p>Management should take substantive and appropriate action to address the appearance of conflict of interest identified regarding VCAF (KS) attempting to influence the advancement and salary of his son JS</p> | <ul style="list-style-type: none"> (a) Management will ensure that personnel actions for their employees will not be made or influenced by family members (b) To ensure there are no future conflicts of interest regarding Keith Schroth's influence over Jeremy Schroth's employment, all future requests for and/or personnel changes will not be considered if there is any involvement from Keith Schroth. (c) Any personnel status changes, with supporting documentation, will be submitted directly from Jeremy Schroth's supervisor to HRM. |

| RECOMMENDATION NO.5 | Management Responses |
|---|--|
| <p>Management should consult with the Office of Human Resource Management and General Counsel to determine whether former employee ME is due for any payment for additional duties for the period of July 6, 2020 to October 31, 2020</p> | <ul style="list-style-type: none"> (a) Management consulted with HRM to determine whether former employee Melissa Eckroth was due any payment for any additional duties she may have assumed for the period July 6, 2020 through November 5, 2020. (b) HRM performed a complete assessment of Ms. Eckroth's duties during that time period. Although HRM was not able to find conclusive evidence that she performed additional duties to warrant additional compensation, LSUHSC-NO will issue an additional payment to Ms. Eckroth to compensate her during the period of July 6, 2020 through November 5, 2020 as recommended by the findings in the internal audit report. |

| RECOMMENDATION NO.6 | Management Responses |
|---|--|
| <p>Management should take steps to ensure that any interference or retaliation against employees participating in, or cooperating with, internal audits or investigations is strictly prohibited</p> | <ul style="list-style-type: none"> (a) Management does not allow any act of retaliation, intimidation and/or harassment in the work place (b) Management recently updated the Code of Conduct for LSUHSC-NO and has and will continue take any and all steps to ensure that any interference or retaliation against employees participating in, or cooperating with any compliance, HRM, or internal audit investigation is strictly prohibited. (c) Management updated CM-49, Sexual Harassment / Gender-Based Harassment and Discrimination. Management is also currently updating CM-24, Procedures for Faculty Grievances/Appeals, as well as CM-56, Student Responsibilities and Rights. |
| <p>Additionally, Management should communicate those steps campus-wide with an affirmation of non-retaliation, that no employee is permitted to engage in retaliation, retribution, or any form of harassment against another employee for reporting concerns, providing information, or otherwise assisting the Office of Internal Audit in the conduct of audits or investigation, and that any retribution, retaliation or harassment will be met with disciplinary action</p> | <ul style="list-style-type: none"> (a) On the preventive front, Management will work on improving employee relations, job satisfaction, communication and trust. (b) HRM will be charged with developing an educational program about this policy to be included in new employee orientation, annual performance reviews, supervisor training, and/or townhall employee meetings. |

Thank you for the work that you and your staff have done in preparation of this report, and for bringing your concerns to my attention. While all responsible leaders are expected to do the right things, internal audit provides the checks and balance to make sure that we have delivered our goods. I am confident that my guiding principles are sound, methodologies are proven, but execution is complicated with constantly changing dynamics and human factors. Your report gave me a reason to pause, reflect and find room for improvement. In this memorandum I have provided our initial responses to the recommendations that I agree with.

Let us finalize these audit discussions as they can distract our attention from managing the pandemic crisis confronting the LSUHSC-NO campus community.

Sincerely,

A handwritten signature in blue ink that reads "Larry H. Hollier, MD". The signature is fluid and cursive.

Larry H. Hollier, MD

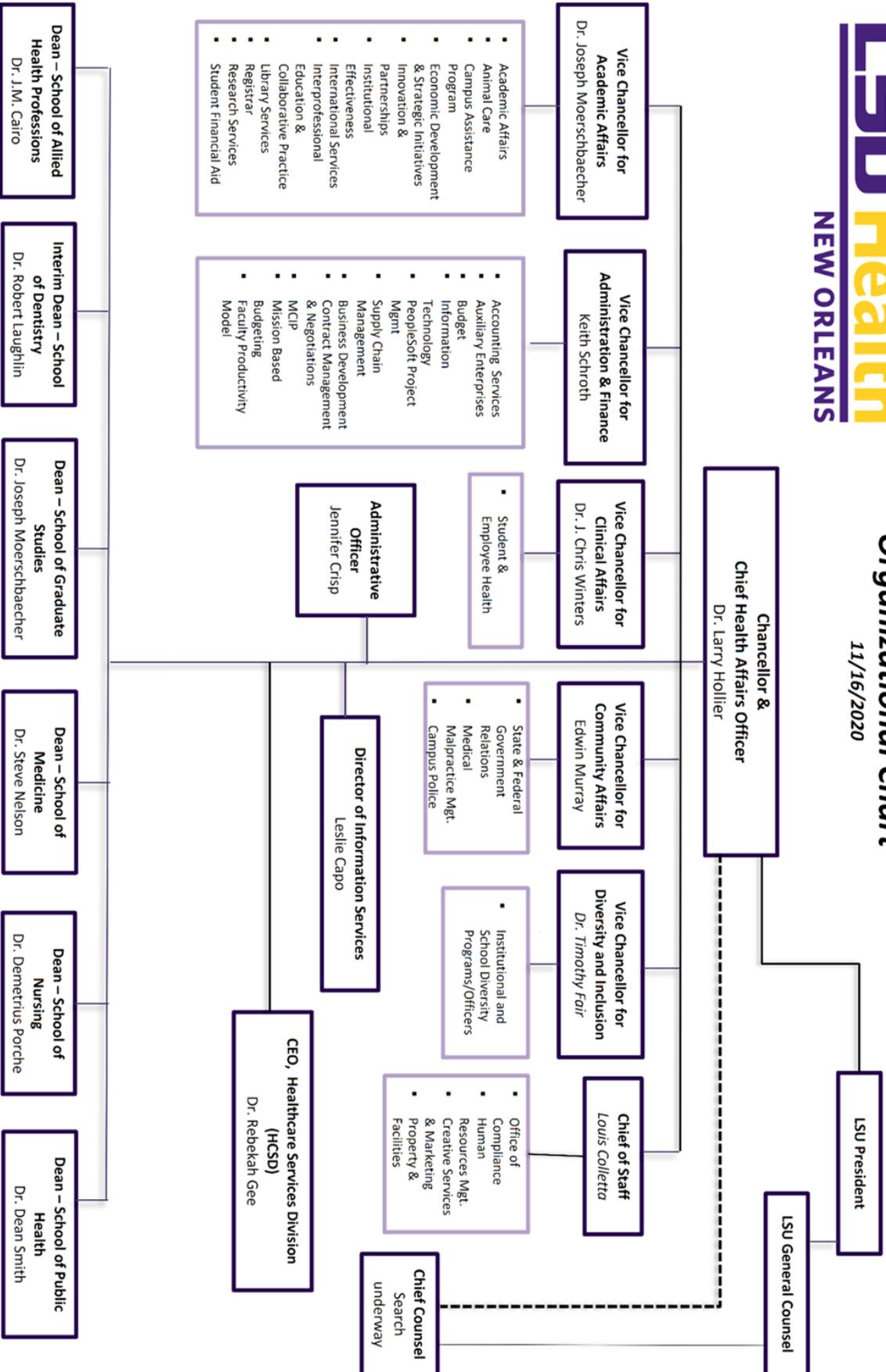
Chancellor, LSUHSC – New Orleans

cc: Dr. William F. Tate IV, LSU President
Robert Dampf, LSU Board of Supervisors – Chair
Richard Zuschlag, LSU Board of Supervisors – Audit Committee Chair
Jay Blossman, LSU Board of Supervisors – Vice Chair – Audit Committee
Laurie Lipsey Aronson, LSU Board of Supervisors – Audit Committee
B. Wayne Brown, LSU Board of Supervisors – Audit Committee
Lee Mallett, LSU Board of Supervisors – Audit Committee
Pat Morrow, LSU Board of Supervisors – Audit Committee
James Williams, LSU Board of Supervisors – Audit Committee
Jimmie Woods, LSU Board of Supervisors – Audit Committee
Donna Torres, Interim Executive Vice President of Finance and Administration and CFO
Winston DeCuir, Vice President and General Counsel
Trey Jones, Deputy General Counsel
Sammy Wyatt, Director – Office of Internal Audit

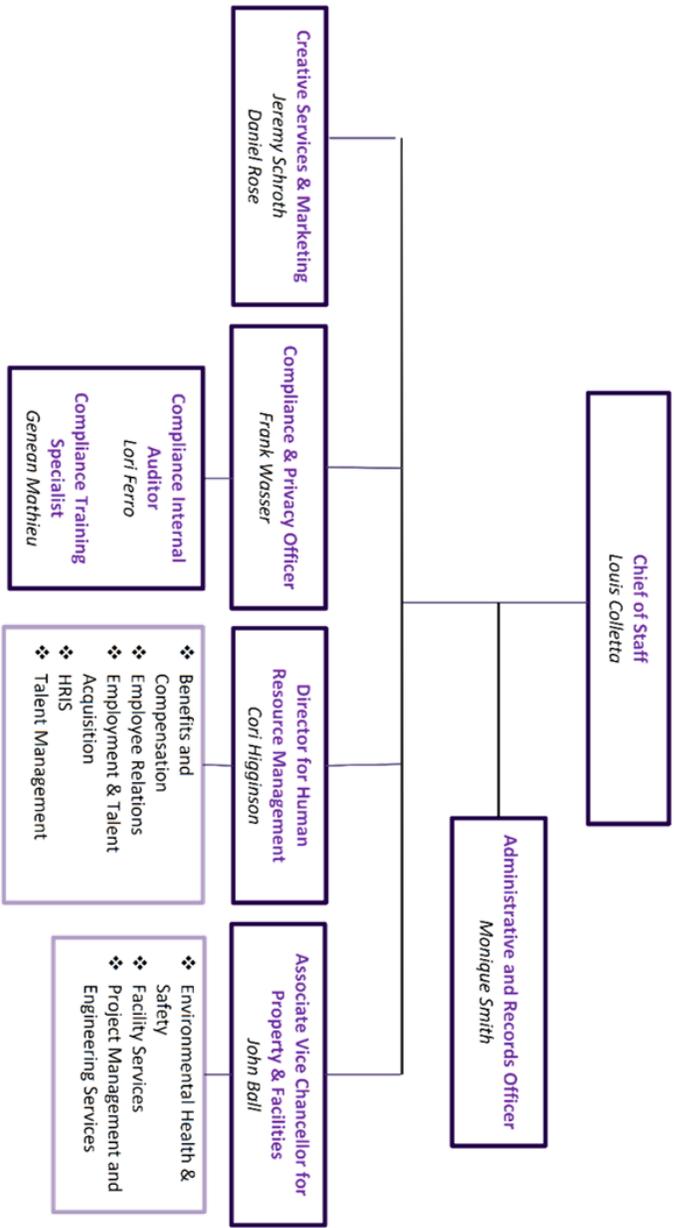
APPENDIX A

2020 Organizational Charts:
LSUHSC-NO
&
Chief of Staff

Organizational Chart 11/16/2020



Chief of Staff Organizational Chart



APPENDIX B

Employee Turnover:

Office of Human Resource Management

&

Office of the Vice Chancellor for Administration & Finance

Employee Turnover

Office of Human Resource Management

A recent attrition report (shown below) going back to May of 2011 (10 years) indicated the Office of Human Resource Management lost 31 employees. Over half (17, 52%) of those employees were lost within the last three years, with the last two years experiencing the greatest of those losses (13, 42%).

| Date | HRM Title |
|-----------------------|--|
| May-2011 | Director of Human Resources |
| February-2012 | Director of Human Resources |
| July-2013 | Director of Human Resources |
| October-2013 | Human Resources Manager |
| March-2014 | Benefits Officer |
| May-2014 | Director of Human Resources |
| June-2014 | HR Manager |
| November-2014 | ER Analyst |
| January-2015 | HR Benefits Manager |
| January-2016 | ER Analyst |
| May-2016 | Operations Analyst |
| June-2016 | Director of Human Resources |
| December-2016 | Assistant Director |
| May-2017 | Assistant HR Manager |
| January-2018 | Benefits Manager |
| May-2018 | HRIS Manager |
| October-2018 | Benefits Consultant |
| November-2018 | Assistant Director of Benefits & Compensation |
| June-2019 | Manager Talent Development |
| July-2019 | HR Benefits Analyst |
| September-2019 | Senior ER Consultant |
| October-2019 | Assistant Director Talent Management |
| November-2019 | Senior benefits Consultant |
| February-2020 | Director of Human Resources |
| August-2020 | Assistant Director of Talent Acquisition & Operations Assistant Director of Benefits & Compensation |
| January-2021 | Benefits Coordinator ER Analyst |
| February-2021 | Director of Human Resources |
| April-2021 | Sr. Benefits Consultant |
| April-2021 | Sr. HR Consultant for Talent Development |

The Office of Human Resource Management has seen seven (7) different Directors since 2011. Higginson, appointed March 30, 2020, had been employed for less than one year before her suspension.

| Date | Director of Human Resources |
|----------------------|------------------------------------|
| May-2011 | Gary McMillian |
| February-2012 | Flora McCoy |
| July-2013 | Giao Tran |
| May-2014 | Duane Labbe |
| June-2016 | Daniel Lombard-Sims |
| February-2020 | Rosalynn Martin |
| February-2021 | Cori Higginson |

Office of the Vice Chancellor for Administration and Finance

With the November 2020 appointment of K. Schroth, the Office of the Vice Chancellor for Administration and Finance has seen five different Vice Chancellors in less than ten (10) years.

| Date | Vice Chancellor for Administration & Finance |
|----------------------|---|
| January-2012 | Ronnie Smith |
| November-2015 | Terry Ulrich |
| June-2016 | Jay Pegue |
| October-2020 | John Harman |

APPENDIX C

Hollier's Justification Memo:
September 23, 2020
"Additional Compensation for Jeremy Schroth"

September 23, 2020

To: Larry Hollier, MD *L. H. Hollier, M.D.*
Chancellor

From: Chris Winters, MD
Vice Chancellor for Clinical Affairs *Chris Winters*

Re: Additional Compensation Request for
Jeremy Schroth

With the onset of COVID-19 the number of potential students and residents, visiting the schools at the Health Sciences Center campus dropped significantly. In order to provide a campus experience and a look inside the programs offered at the LSUHSC-NO, Jeremy Schroth has taken a leadership role in coordinating scripts and interviews, producing, and editing virtual tours for each school involving many programs and affiliated hospitals. These virtual tours have become a major marketing program for LSUHSC and will be revised and updated moving forward to keep LSUHSC competitive in a changing environment.

Jeremy has assisted numerous departments on our campus with additional departmental and medical procedures videos required for virtual learning and recruitment. In addition Jeremy took the initiative to bring in house the historical outsourcing of Faculty, Residents, and Medical Students picture development which saves the University by eliminating one contract valued at \$47,000 annually and savings on various other contracts estimated at \$40,000 to \$55,000 annually.

He also supervised the development of the School of Medicine GME office in creating a welcome video for the institution for residency/fellowship recruiting purposes. Additionally, Jeremy has traveled to Baton Rouge to help several of the departments there with recruitment videos, departmental pictures, and producing videos of procedures required for both training and recruitment.

The working relationship Jeremy has created with LCMC and many of its hospitals is invaluable. He has been invited to film and produce several surgeries and other medical procedures that are used for training purposes and the demand for such services are growing in this new environment.

I am respectfully requesting \$16,480.00 in additional compensation for Jeremy, which is 20% of his current salary of \$82,400.04, effective October 1, 2020 to September 30, 2021. This request will be re-evaluated before the end of that period.

Thank you for your consideration, and please feel free to contact me should you have any questions.

