

Dear Campus Community,

One of our guiding principles has been to communicate often – and to do so transparently – regardless of whether developments are positive or present challenges.

It is with that firmly fixed principle that I am announcing the findings of a review conducted by UK Internal Audit (UKIA) that revealed the misappropriation of more than \$250,000 by former employees within departments in our College of Education.

Those employees are no longer with UK and the matter has been referred to law enforcement authorities for their review. Significantly, I am also directing Provost David W. Blackwell to directly oversee all financial and business operations within the College of Education for the foreseeable future.

Provost Blackwell will be working directly with Dean Julian Vasquez Heilig on this transition. It is important to note that the majority of inappropriate behavior occurred prior to Dean Vasquez Heilig's arrival at UK last year. He has pledged his commitment to this process. You can read a news release about this issue, as well as the audit itself, <u>here</u>. These materials are being distributed publicly later today.

At the same time, I have asked Executive Vice President for Finance and Administration Eric N. Monday to work with college and unit budget officers throughout the institution on steps we can take to ensure that all of our financial operations are being administered in accordance with policy and best practices.

EVPFA Monday will initiate a mandatory training program for all business officers throughout our colleges and administrative units. And he will begin formal monthly meetings with the senior business officials throughout the enterprise to help ensure better coordination and consistency of our financial operations.

When someone does not perform to the standards we expect and demand, there will be consequences. Further, we will do all we can to ensure that the behavior is not repeated. The vast majority of people in our community are committed to practices consistent with our policies and procedures. We cannot allow the actions of a few people to tarnish the work and commitment of an entire community.

The University of Kentucky is a nearly \$5 billion enterprise. We are the largest employer in the

region by far and one of the largest in the state. We must demonstrate to each other and all those we serve that we will be responsible stewards of the resources we generate and those with which we are entrusted.

I know we are all committed to being that community and that university for the Commonwealth. Thank you.

Eli Capilouto President