



TEXAS SOUTHERN UNIVERSITY
Office of the Board of Regents

3100 Cleburne Street ♦ Houston, TX 77004 ♦ 713.313.7011

February 4, 2020

Dr. Austin Lane
c/o Darryl Carter
Carter & Bachynsky, L.L.P.
440 Louisiana, Suite 900
Houston, TX 77002

Re: Notice of Termination for Cause

Dear Dr. Lane,

The Board of Regents of Texas Southern University (the “Board”), via action taken at a posted Board meeting on February 4, 2020 has authorized the delivery this Notice of Proposed Termination for Cause in accordance with Section VII(B) of the Employment Contract between yourself and Texas Southern University dated October 25, 2018 (“Contract”).

The Board’s determination to propose the termination for cause was made after conducting a detailed and ongoing investigation concerning troubling issues which have arisen during your term of employment. Article IV of your Contract provides, *inter alia*, that you are responsible to “oversee and administer the affairs of the University with maximum application of effort, experience and ability in serving the University consistent with the policies of the Board.” Your Position Description, adopted in the Board’s bylaws states as “Chief Executive officer of the institution, the President is responsible to the Board of Regents for the administration and for the management and control of the entire University in accordance with Board policy and direction.”

Section VII(F) defines, in part, “cause” for termination of the Contract as: “(6) failure to promptly advise and fully report to the Board any matter known by Dr. Lane that tends to bring public disrespect, contempt or ridicule upon the University, or (7) any act that creates a material adverse effect on the reputation and/or brand of the University.” As will be discussed below in greater detail, it is alleged that you have failed to fulfill these obligations.

Failure to Advise and Fully Report

As set forth in your Contract, you have a duty to promptly advise and fully report to the Board any matter known by you that tends to bring public disrespect, contempt or ridicule upon the University. It is alleged that you failed to meet this obligation by failing to report to the



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Board and to the internal auditor allegations of fraudulent and dishonest activities of the former Assistant Dean of Law School Admissions and Financial Aid (the “Former Assistant Dean”). As you know, the Former Assistant Dean resigned in lieu of termination for facilitating a fraudulent transfer law school application for Student One¹. Also, the Former Assistant Dean facilitated second fraudulent admission and scholarship for a first-year law school student (Student Two) in exchange for fourteen thousand dollars (\$14,000) in cash. The Former Assistant Dean also provided false LSAT information for submission to the ABA law school accreditation review board. Each of these items are serious matters and are the subject of ongoing investigations.

It appears from the investigation to date that, upon being presented with evidence of fraud committed by the Former Assistant Dean and Student One, you and/or your subordinate allowed this student, to be admitted into the University into another graduate program, for which he was not qualified without having filed an application for admission. Such action appears to have been taken in an apparent attempt to provide a valuable state resource to the student who had participated in admissions fraud in coordination with a high-ranking university official and had knowledge of the fraud committed by that official. You did not promptly report the admissions fraud to the Board, nor to any internal review process for follow-up. Your attempts to accommodate the student via an alternative admission appear to be an effort to conceal and cover-up the wrongdoing. Moreover, you failed to report the matter to the Board or the internal auditor.

After being made aware of the above matters, the Board sought the assistance of the University’s internal auditor, third party investigators and hired special employment law counsel to investigate these matters. During the course of the investigation you were interviewed twice. During your second interview, you made statements regarding knowledge of these events that are inconsistent with your prior statements during your first interview and to Board members.

To ensure the integrity of its investigation, the Board directed you and your cabinet to preserve evidence, to cooperate, and not interfere with the investigation.³ However, you took actions and/or directed subordinates to take action that: 1) violated directives of the Board regarding personnel procedures pending the audit committee investigation of your conduct, and

¹ Student name has been redacted to preserve their amenity.

³ The Board discovered that the Former Assistant Dean’s email account had been deleted from the University server through either negligence or concealment by persons unknown. When the Board attempted to determine the identity of the person who deleted the account through the internal auditor and a third-party investigator, your staff delayed and interfered in providing the investigator access. To date, the identity of the person remains unknown. Such attempt to conceal evidence by you and/or your subordinates is clear interference with ongoing investigations, and direct defiance of the Board’s instructions. Most notably, it’s a clear reflection of your failure to manage your staff adequately.



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2) obstructed or intended to obstruct the audit committee investigation of your conduct and/or the protection of the whistleblower. Specifically, you violated the University's Discipline and Termination Policy (MAPP 02.05.03), by directing or overseeing the termination or demotion of employees without following established University policy and procedure. You and your subordinate agents attempted to conceal this non-compliance from Board members against direction given in connection with enhanced legal review of adverse employment actions meant for the protection of the whistleblower. All of these actions are inconsistent with your duties to inform the Board of litigation risk matters that could bring disrespect to the University. Your actions as President reflect on the reputation of the University and these actions adversely affect the reputation of the University.

Also, it appears that you have directed excessive entertainment expenses to be paid through the TSU Foundation rather than the University entertainment expense reimbursement process outlined in Section V(I) of your Contract. This method of funding was intentionally directed by you and had the effect of avoiding the required Board oversight of your expenses. Such expenses would have required approval by the full Board had they been submitted through the University accounts. The full cost of these expenses was never presented by you or your staff for approval to the full Board. Moreover, your direct reporting subordinate delayed for months before releasing documentation of these expenses to the internal auditor, who was conducting an audit of your expenses at the request of Board's Audit Committee. The records were not released until immediately prior to you being placed on administrative leave. The records are created, maintained and/or in the custody of University employees on University property. You were aware of this matter, and such excessive spending could bring public disrespect to the University.

Material Adverse Effect on University Reputation/Brand

Additionally, you are required, to refrain from any act that creates a material adverse effect on the reputation and/or brand of the University. Specifically, you failed to fully inform the entire Board of the primary reason for Law School Dean, Dr. James Douglas's resignation. Dean Douglas resigned because he was improperly directed by you and your subordinate, Wendell Williams to engage in acts that violate University policy. Specifically, you and Mr. Williams improperly instructed Dean Douglas to misrepresent the authorship of a report to be submitted to the ABA, in violation of University policy. Such act would be misleading to the ABA accreditation committee, as you requested the Dean to improperly borrow the reputation of an external consultant. As an academic institution, it would be inappropriate for students to submit work product under another student's name for academic credit. Similarly, it would be inappropriate for an administrator to submit misrepresented reports when seeking accreditation. As the president of the University who must set an example for administrators and students and who presides at graduation ceremonies, it is additionally adverse to the reputation of the



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University to continue to permit you to perform such a function now that this policy violation is known to the current Board.

In summary, your actions and inactions are willfully inconsistent with promoting the reputation and/or brand of the University or fulfilling your duty to fully report to the Board any matter known by you that tends to bring public disrespect, contempt or ridicule upon the University and have had a material adverse effect on the brand of the University. A consequence of your actions, and in particular the dishonesty, misrepresentation, material omission, and intentional concealment aspects of your conduct, is injury to the trust placed in you by the Board to manage and lead the University on a day to day basis.

In accordance with Section VII(B) of your Contract, you are given thirty (30) days to cure the allegations set forth herein, if cure can be made. The matter of your contract will be set for a hearing before the Board of Regents at least thirty (30) days from the date of this letter, on a date a quorum of Regents are available. At such hearing you will be given the opportunity to demonstrate any errors in the facts contained in this Notice. You will also be given the opportunity to present evidence of cure.

Also please be advised that we are aware that Section VIII(C) provides for the resolution of this dispute through either direct discussions and/or nonbinding mediation. The University is willing to participate in either or both of these processes prior to the date of the foregoing hearing.

It is our understanding that you are represented by Counsel. If you wish to participate in pre-hearing attempts to resolve this matter, please have your lawyer contact Kevin O'Hanlon, 808 West Avenue, Austin, Texas 78701. (512) 494-9949; kohanlon@808west.com.

Sincerely,

Hasan Mack, Chairman
Texas Southern University