



August 24, 2017

President Cheryl Schrader
Wright State University
3640 Colonel Glenn Hwy.
Dayton, OH 45425-0001

Dear President Schrader:

The interim report you submitted to our office has now been reviewed. A staff analysis of the report is enclosed.

On behalf of the Higher Learning Commission staff received the report on integrity in all operations. No further reports are required on this topic.

The Open Pathway Assurance Review is scheduled for 2019 – 2020. The institution's next reaffirmation of accreditation is scheduled for 2025 – 2026.

For more information on the interim report process contact Lil Nakutis, Accreditation Processes Manager, at lnakutis@hlcommission.org. Your HLC staff liaison is Linnea Stenson (lstenson@hlcommission.org); (800) 621-7440 x 107.

Thank you.

HIGHER LEARNING COMMISSION



STAFF ANALYSIS OF INSTITUTIONAL REPORT

DATE: August 24, 2017

STAFF LIAISON: Linnea Stenson

REVIEWED BY: Steven Kapelke

INSTITUTION: Wright State University, Dayton, OH

EXECUTIVE OFFICER: Dr. Cheryl Schrader, President

PREVIOUS COMMISSION ACTION AND SOURCES: An interim report is required by 6/30/2017 on integrity in all operations, including auxiliary functions and development of a compliance program and establishment of a contracting organization. Institution must report findings/agreements of the ongoing Federal investigation as they emerge.

The Wright State interim report derives from the Team Report of the institution's 2016 Comprehensive Evaluation. The Team Report states this:

"The report should document:

- *The development and implementation of a comprehensive compliance program;*
- *The establishment of a contracting organization that oversees all contractual relations at the University;*
- *The appointment of appropriate staff to the Office of General Counsel to ensure that functions are properly performed, particularly but not limited to, the handling of employment for individuals with an immigrant intent;*
- *The results of a review of affiliated entities and policies related to their operation.*

The visiting team expects all changes to be operational by the time that the report is submitted.

The visiting team recognizes that a Federal investigation is ongoing. We cannot anticipate the findings of that investigation, but we find the planned response of the Board and current leadership to the ethical issues subject to Federal investigation to be robust and appropriate. Nonetheless, the Interim Report should also include any resolution of known issues or any new matters that may arise from the investigation.

Further, the team recommends that WSU report to the Commission substantive findings of the investigation and/or agreements with the Federal government related to the on-going investigation as they emerge, as the Commission will need to determine whether the findings imperil WSUs stability, financial or otherwise. Such reporting should be undertaken in addition to the interim report."

REPORT PRESENTATION AND QUALITY: The Wright State University interim report is organized effectively and presented clearly. In-text links provide easy access to relevant supporting documents, such as the institution’s organizational chart and the University Compliance web page. Indications are that the report is thorough and candid.

REPORT SUMMARY: The University’s interim report is organized around the four components identified in the 2016 HLC Team Report of the institution’s HLC Comprehensive Evaluation. These four components, as articulated in the Team Report, are as follows:

- *The development and implementation of a comprehensive compliance program;*
- *The establishment of a contracting organization that oversees all contractual relations at the University;*
- *The appointment of appropriate staff to the Office of General Counsel to ensure that functions are properly performed, particularly but not limited to, the handling of employment for individuals with an immigrant intent;*
- *The results of a review of affiliated entities and policies related to their operation.*

In each of these four areas, the report provides a description of the actions taken by the University to resolve issues pertaining to institutional integrity and supplemental materials in the form of pertinent policies and procedures.

For example, in terms of the establishment of a comprehensive compliance program, the report notes that the institution has hired a Director of Compliance to oversee all compliance-related activities. Further, the Compliance Program, led by the Director, “collaborates with the Compliance Council to reach and sustain a mature infrastructure to support all elements necessary for an effective compliance program.” The University Compliance Website provides a central source of information pertaining to the institution’s compliance efforts.

With regard to the second bullet point above, the report notes that the institution has created the *Contract Approval and Signatory Authority Policy, Policy 9350*, which provides clear direction as to authority for contract approval. According to the report, the Office of Contract Services is in the process of developing new template agreements that will be available on the Office’s website.

The report provides an overview of the University’s efforts in the area immigrant employment, citing its contracting with an external legal firm to review existing H-1B visas and manage the hiring process—and its work with the Ohio Attorney General’s Office, which has reviewed the institution’s immigration compliance efforts.

The fourth bullet point noted above relates to the ongoing federal investigation regarding the University’s H-1B visa program. According to the report, “*The University continues to cooperate in the ongoing investigation,*” the results of which will be communicated to the Higher Learning Commission when the investigation has concluded. In this section, the report points out that the University has taken additional

steps pertaining to compliance, including upgrading its compliance program and expanding the University's legal team. Here, again, the report provides links to relevant web pages, including that of the office of the general counsel.

STAFF FINDING:

Note the relevant Criterion, Core Component(s) or Assumed Practice(s): **CC 2.A**

Statements of Analysis (check one below)

Evidence demonstrates adequate progress in the area of focus.

Evidence demonstrates that further organizational attention is required in the area of focus.

Evidence demonstrates that further organizational attention and HLC follow-up are required.

Evidence is insufficient and a HLC focused visit is warranted.

REPORT ANALYSIS: The Wright State University interim report provides evidence to show that the institution has made substantial progress with regard to the compliance issues identified in the 2016 HLC Team Report of the institution's Comprehensive Evaluation.

Specifically, the University has responded to the first three items noted in the Team Report through a series of actions designed to expand and strengthen the institution's capabilities in the area of compliance. Included among these is the establishment of a "*comprehensive compliance program*" headed by a well-qualified, newly hired director who reports to the University's President. The following is an excerpt from the position announcement for the Director of Compliance.

Job Summary:

The Director of Compliance plays an innovative and important role in building Wright State University's Compliance Committee. Working with partners throughout the university, this role provides centralized coordination, oversight and monitoring of all university compliance functions. By assessing compliance risks and developing ways to address them strategically and collaboratively, the position will provide assurance that the operations of the university are supported by adequate compliance resources. The position will be a dual report to the President/Chief Operating Officer and the Compliance and Audit Committee of the Board of Trustees. The position will be an indirect report to the Office of General Counsel.

The Compliance Council, which is chaired by the Director of Compliance, comprises representatives from a range of operational areas within the University and meets on a monthly basis. Several of the Council's agendas are included in the appendices.

With regard to Contract Organization, the University has created a Contract Approval and Signatory Authority Policy, Policy 9350, as noted in the Report Summary section

above. The following is an excerpt from the policy, which is located on the institution's website:

9350.1 Purpose

The purpose of this policy is to specify the signing authorities (Schedule A) required for Contracts to be executed on behalf of the University.

9350.2 Scope

This policy applies to all Contracts to which the University is a party or that create an obligation on the University. It applies to all faculty and staff.

9350.3 Introduction

Ensuring only those University employees with appropriate approval and accountability are authorized to approve transactions is an important part of the University's commitment to the responsible stewardship of University resources.

Generally, NO person is authorized to sign/approve a document unless the authority to do so has been formally assigned, according to the current policy or through delegation.

While authority and responsibility can be delegated, accountability cannot. Signing authority responsibility must not be delegated without careful consideration and appropriate instruction. The delegator is responsible for the supervision of employees to whom he or she has delegated authority and as such has full accountability for the transactions that individuals approve on his or her behalf.

9350.4 Objective

The objective of this policy is to ensure that only those individuals with appropriate approval and accountability sign contracts on behalf of the University.

9350. 6 in the Policy further identifies, in five points, which University personnel have the authority to approve contracts and formal agreements and notes that "*Only contracts/agreements signed by authorized individuals...will bind the University.*" In addition, the Office of the General Counsel works with the Office of the Provost in the creation and review of academic agreements with institutional partners.

To assist in the oversight of the hiring of immigrants, the institution has retained an outside law firm, which will review existing H-1B visas and manage the hiring process going forward. In addition, to review the institution's immigration compliance actions, the University's Office of General Counsel has worked with the Ohio Attorney General's Office, which has undertaken the following (Note: These are only some of the examples provided in the report.):

- *Reviewed Wright State's process for preparing and filing nonimmigrant and immigrant visa petitions and made recommendations for improvement.*
- *Reviewed all H-1B petition files and Public Access Files associated with each certified Labor Condition Application on file in the Office of General Counsel and made recommendations for correcting files, where needed, to be in compliance with federal immigration law. This review was in addition to the audit conducted by Dinsmore & Shohl.*

- *Identified a list of individuals currently employed on H-1B status and ensured that the H-1B filings were complete, up to date, and proper record keeping requirements were in place. Recommended corrective actions (e.g. filing amended H-1B petitions or creation of Public Access Files) where needed. Created a spreadsheet to maintain this information in the future.*
- *Identified the number and types of Labor Certifications and immigration petitions that have been filed by Wright State or were in process with Special Counsel. Created a spreadsheet to maintain this information in the future.*

The Ohio Attorney General's Office has also set forth guidelines and recommendations the University intends to implement. These include, but are not limited to, guidelines for sponsoring nonimmigrant visa petitions and recommendations for conducting Form I-9 audits and training.

The final section of the report narrative addresses the ongoing federal investigation into the institution's H-1B visa program. According to the report, "*the University continues to cooperated in the ongoing investigation.*" The rest of this section recapitulates points made earlier in the narrative, including the upgrading of the institution's compliance program, the expansion of the legal team, and the redistribution of oversight responsibility, which the University believes will improve administrative accountability.

Analysis Concluding Statement: It is evident from the materials presented in its interim report that Wright State University has made substantive progress in its efforts to create an effective compliance program. These include both personnel additions, such as the hiring of a Compliance Director and changes in relevant policies. Indications are that the institution's retention of an external legal firm and the collaboration between the Office of the General Counsel and the Ohio Attorney General's Office have been salutary in nature and have further enhanced the University's compliance system.

Because the federal investigation is ongoing, the HLC will require further institutional attention to this matter, as noted in the Staff Finding section above. The Commission will not require additional reporting on this topic but will require notification when the federal investigation has been completed and information about the results of the investigation.

STAFF ACTION: Receive the report on integrity in all operations. No further reports are required on this topic.

The Open Pathway Assurance Review is scheduled for 2019 – 2020. The institution's next reaffirmation of accreditation is scheduled for 2025 – 2026.