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The Honorable Nathan Deal
Office of the Governor
203 State Capitol
Atlanta, Georgia 30334

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via fax 404 657 7332

Dear Governor Deal:

I have previously written you to request the appointment of a special investigator pursuant to your authority under OCGA 45-15-18. Those requests were directed at abuses of power with the University System of Georgia, Board of Regents, and the Attorney General's office. The Attorney General has expressly refused to investigate the allegations and documentation of criminal wrongdoing within the University System.

That includes undisputed documentation, for example, from the State of Georgia's own records, that Georgia Perimeter College officials knowingly falsified state agency budget reports--leaving \$9 million in overspending that cannot be accounted for to this day.

In fact, the Attorney General has rejected and even ridiculed the allegations of wrongdoing, stating that there is no evidence to support the claims. However, our own investigation has recently identified ample documentary evidence, from official state records, that provide detailed support for allegations that state agency budget reports were knowingly and willfully falsified, concealed, and misrepresented by budget staff at former Georgia Perimeter College (now merged with Georgia State University) in violation of OCGA 16-10-20 & 16-10-8.

During the course of these documented, knowing misrepresentations by its budget officers, Georgia Perimeter College (GPC) went from a \$20 million surplus in its auxiliary reserve funds in 2009 to a negative balance in

its reserve funds by the end of 2011. Alerted to financial reporting discrepancies by then-President Anthony Tricoli in April of 2012, USG auditors announced a \$16 million deficit and Chancellor Huckaby demanded Tricoli's resignation the next day.

A USG audit was commenced after Tricoli's ouster in May of 2012, and, though the USG could not account for \$9 million in spending, concluded that there was no evidence of criminal wrongdoing. However, official records show that GPC's financial condition was knowingly misrepresented in felony violation of the Criminal Code of Georgia.

In official budget reports in March of 2011, GPC budget officials reported a \$38 million surplus to GPC management. Yet three months later these same GPC budget officials discussed diverting \$1.5 million from reserves to prevent a revenue shortfall—an unlikely necessity if there really were a \$38 million surplus.

In September of 2011, the same GPC budget officials attended an exit interview with state auditors who warned of negative balances in the GPC reserve accounts. Yet the GPC budget officials never reported the results to the President as affirmatively required by state law and GPC policy.

In January of 2012, GPC budget officials began sharing a series of emails concerning the depletion of GPC reserves over the last two years, including a recent reduction of \$4.5 million in one reserve account and \$3.2 million in another, plans by the top GPC budget official to spend additional reserves in 2012, and millions of dollars from the reserve funds already “gone with no explanation.” This information was shared among USG budget officials, but not with the GPC President, as required by law, or the rest of GPC management.

As a result of these January 2012 “notes to self” concerning massive deficit spending, the same GPC budget officials prepared a report to explain how the depletion of GPC's reserves occurred. That February 2012 report referenced directives from GPC's top budget officer to spend down GPC's reserves—again, contrary to official reports of ample budget surpluses.

A March 2012 budget analysis by GPC budget officials, required for accreditation purposes, found that the college was \$6.7 million in arrears for employee fringe benefits and running a \$6.1 million deficit for operating

expenses. The final version of that report was sent to the USG on March 26, but was never shared with GPC President or the rest of GPC management outside the budget office, as required by the governing law and policies.

Yet on March 23, GPC's top budget official made no comment in discussions with USG Chancellor Huckaby about using GPC reserves to fund faculty salary increases—despite the knowledge of GPC budget officials, detailed in their own February and March 2012 budget analyses, that there were no longer any reserves remaining, but rather a deficit of at least \$12.8 million at that time.

Despite this extensive documentation of GPC's dire financial straits, GPC's top budget official reported to the President's Cabinet in March 2012 a "normal budget process" and \$3.6 million in reserve, and reported \$4 million in reserve on April 15, 2012. These dramatically false reports obviously and knowingly contradicted the GPC budget officials' own contemporaneous budget analyses that showed depleted reserves and mounting deficits.

Despite documentation, dating all the way back to July of 2011, that GPC had been spending its reserves to make ends meet, and had exhausted the reserves by January of 2012, GPC's top budget officer did not report an issue until April 25, when he informed President Anthony Tricoli that there was perhaps, in fact, a small deficit of \$1-2 million--not the surpluses so recently reported.

These documented misrepresentations, which are felonies under Georgia law, caused enormous harm to the State and its citizens. Georgia Perimeter College, a thriving institution that had served as a model for success within the USG, and nationally, was virtually destroyed. The damage that directly flowed from the budget misrepresentations included \$16 million in overspending--\$9 million of which has never been accounted for to this day—the loss of 300 jobs, a drop in enrollment of thousands of students per semester, and the ouster, in violation of then-existing USG policies, of GPC President Anthony Tricoli.

Prior letters on October 31, 2014, January 15, 2015, and April 15, 2015 have advised you of similar wrongdoing in the USG, and provided documentation, for purposes of requesting you to use your authority to appoint an independent special attorney general. These previous letters have

also documented the Attorney General's failure and public refusal to investigate or prosecute these matters, including the knowing budget misrepresentations and \$ 9 million in spending that cannot be accounted for at GPC.

Similarly, we would be happy to provide you with documentation that was previously overlooked by the Attorney General and the USG in the investigation, in DeKalb County, of the budget crisis at GPC. All the documentation was readily available to the Attorney General and USG investigators.

Just this week, moreover, a case in which a Fulton County State Court judge is alleged to have made knowing misrepresentations, to shield the Attorney General from claims of obstructing investigation of criminal wrongdoing in the USG, was also transferred to DeKalb County because no judge in Fulton County could hear the case. This only highlights the need for the independent investigation we have requested.

The USG stands, along with all other state agencies and institutions, to suffer serious consequences if financial information can be misrepresented and state and federal funds misappropriated with impunity, free from investigation or prosecution—and especially if such investigation is actually opposed by the Attorney General. That is why we renew our request for the appointment of a special independent investigator.

Please let me know if you have any questions, or if I can provide additional information or documentation. Thank you for your attention to this urgent matter.

Sincerely,



Stephen F. Humphreys