American University of Beirut Office of the President



May 8, 2014

Dear AUB Community,

In recent days, media organizations have published AUB internal reports and documentation concerning allegations of fraud, corruption, and waste at the University. AUB condemns the publication of this internal material as well as the media campaign of individuals seeking to tarnish the reputation of one of Lebanon's cherished and contributory academic institutions. There have been repeated attempts to sensationalize unsubstantiated claims of fraud and corruption at AUB without ever having produced any actual evidence of wrongdoing. This latest attempt to defame the University includes the publication of reports that are several years old and have been circulated previously in other media.

Contrary to the objectives of this media campaign, these investigation reports and their comprehensive recommendations – which were specifically commissioned by AUB – demonstrate *beyond any doubt* the University's immediate and focused attention to any charges of wrongdoing.

The case being revisited in the media incorporates events that occurred as many as ten years ago and involves a series of allegations leveled against the University made by a University Trustee shortly after his departure from the Board. Immediately upon learning of the accusations, an ad hoc committee was convened by the Board of Trustees and an independent, professional examiner was retained for a thorough and intensive investigation. The work product generated as part of this investigation, now published in the media, only evidences AUB's consistent and determined efforts to address real or perceived weaknesses in its policies, procedures, and practices.

Upon completion of the final KPMG report in 2012, the findings of the ad hoc committee were summarized and shared with the AUB community. In the two years since that report was issued, the majority of the recommendations made by the independent examiners have been addressed by the administration, and steady progress is being made on improving IT and other systems. Updates on implementing the recommendations of the ad hoc committee are provided regularly to the Board of Trustees as milestones are achieved.

As readers of the media can see for themselves, the released investigative materials reveal absolutely no evidence of fraud or corruption at AUBMC or the University. They do confirm independently a number of limitations of business process, policy, and internal controls that the senior administration had already identified and had begun to rectify, even as the examiners were conducting their intensive nine-month review.

The University has a robust Internal Audit function and a comprehensive set of Institutional Integrity Policies, including a Safe Reporting Policy, to encourage and protect those who report in good faith about suspected wrongdoing in English or in Arabic. We strongly encourage any individual with information about fraud or corruption at AUB to come forward using one of our confidential reporting paths if they have legitimate claims to report.

Publication of allegations of corruption and mismanagement against AUB make for controversial and lurid headlines but they do not serve the public at large. In particular, they do not serve to strengthen the University in any meaningful way for the benefit of AUB's students, patients, faculty, and staff. AUB has served this country and the region, unfailingly, for more than 148 years, through difficult and good times. It has educated tens of thousands of individuals who have made enormous contributions to their respective professions, to their communities and to the world. AUB stands for nothing if not freedom of thought, speech, press, and assembly. However, with this freedom comes responsibility, especially to the truth.

Peter Dorman President