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SANTA BARBARA • SANTA CRUZ

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Dear Members of the UC Davis Community:

Seven years ago, on April 27, 2009, former UC President Mark Yudof invited me to come to UC Davis to serve as Chancellor. I came with great excitement to serve as the campus' first woman Chancellor and to work with members of the faculty, staff and student community. Approximately 100 days ago, the University of California placed me on leave and commenced an investigation into three allegations. The investigation regarding these allegations has been completed and the investigators have confirmed that as to material allegations concerning my service to this institution, I did not violate UC policies or laws.

The principal allegations from April 27, 2016, cover three separate areas: (1) nepotism, (2) alleged misuse of student fee income and (3) communications as between myself and the President concerning my role in or knowledge of social media contracts for the campus.

NEPOTISM:

The general allegations concerned whether I had violated UC policies in relation to the education or employment of my son, Erik Tseregounis and my daughter in law, Dr. Emily Prieto. The report is clear: "[I] **did not exercise improper influence over or offer favorable treatment to [my son or daughter in law]**"¹. I disclosed my family relationships by signing near relative forms, and that "**effectively recused [me] from decisions relating to [their] employment**"²."

As to my son, Erik, a graduate student, the investigators confirmed that I played no role in bringing him to campus as a graduate student or to influence his eventual employment as a graduate student researcher. They determined that Erik properly reports to faculty members of the UCD Academic Senate, and in fact, those to whom he reported did not even know that he was my son because he uses a different last name. They specifically found that "**no evidence ...**

¹ Investigative Report, page 13

² Investigative Report, page 14

suggested that Dr. Prieto (my daughter in law) exercised oversight of [Erik's] graduate work, research or compensation³." I played no role in his education or employment, the setting of his salary or other details of his position and I was properly "walled off from academic and personnel decisions related to [my son] consistent with the near relative agreement⁴."

It should be noted that the investigators confirmed that confusion exists as to whether graduate student employment triggers the requirement for execution of near relative disclosure forms. In fact, in at least one instance the Campus Counsel himself did not believe the disclosure forms were required and, yet, I executed the near-relative disclosure form and in good faith complied with the policy.

As to my daughter in law, Dr. Emily Prieto, the investigators confirmed that she came to the UC Davis campus long before I or my son even knew her. I signed a near-relative disclosure form, likely before one was due, when she became engaged to marry my son. The investigators confirmed that "nor does any evidence suggest that Chancellor Katehi influenced Dr. Prieto's career trajectory⁵." In fact, I "had no role in selecting Dr. Prieto" and the "investigation team found no evidence that [I] was involved in decisions regarding Dr. Prieto's promotions and/or salary increases⁶." The team also confirmed that her supervisor and others "took steps to honor the near relative agreement and to ensure that the Chancellor was not involved⁷" in proposed promotions and that in fact I did not discuss my daughter-in-law's salary or promotions with anyone at UC Davis.

Lastly, the investigation team also confirmed that the UC Board of Regents had approved title and salary changes for my direct report, Dr. Adela de la Torre. They specifically found "no evidence suggesting that Chancellor Katehi proposed a pay increase and title change for Dr. de la Torre because Dr. de la Torre employed Chancellor Katehi's daughter-in-law or because Dr. de la Torre advised or employed Chancellor Katehi's son⁸".

As to the allegations of nepotism, I am grateful that the investigation team confirmed my position and the early opinion of the UC Davis Academic Senate that I had not violated nepotism rules, and that in fact, I had followed near-relative policies to disclose my family relationships, and that I had played no role in influencing decisions concerning their education or employment.

MISUSE OF STUDENT FEES:

The investigators reviewed the allegation of misuse of student fee income regarding fees and athletic programs. They confirmed their opinion "did not appear to have any involvement in

³ Investigative Report, page 30

⁴ Investigative Report, pages 26, 37

⁵ Investigative Report, page 31

⁶ Investigative Report, page 34

⁷ Investigative Report, page 36

⁸ Investigative Report, page 41

this line-level budgetary decision⁹”, and, and that there were “no policy violations or management concerns related to the use of SASI revenues¹⁰.” In fact, the investigators did not ask me any questions concerning this item, which had apparently been resolved by the campus and the UC in 2014. I am grateful that the investigators confirmed that I did not violate any financial management issues.

TRAVEL EXPENSES:

During the course of the investigation, the investigators were asked to review my travel expenses. My travel expenses had been audited annually without any material findings and the report specifically mentioned that “There is no evidence of intentional misconduct with respect to Chancellor Katehi’s travel,¹¹” and “it does not appear that Chancellor Katehi personally profited or that UC Davis suffered a financial loss¹².”

RETALIATION:

The investigators found that “There is no evidence that Chancellor Katehi retaliated or threatened retaliation against employees for the cooperation with this investigation or with UCOP¹³”. Again, I am grateful to the investigation team for these findings.

SCHOLARSHIP DONATION:

During the investigation, questions arose both in the media and with the investigation team regarding my commitment to contribute to a UC Davis scholarship from my board service proceeds. When I made a commitment to donate \$200,000 to the campus, I had contacted the UC Davis Advancement office and my personal accountants to commence arrangements. My husband and I have created five different scholarships at UC Davis, UCLA and the University of Illinois. I have every intention of proceeding with a gift to the university to benefit students.

OUTSIDE BOARD SERVICE:

The investigation team was later asked to comment on my outside board service. My commitment to serve on boards of directors aims at improving higher education opportunities for students. I have attempted to assess each opportunity with the assistance of others on campus or in the greater community, to ensure the time invested parallels the goals of the campus. I regret that my decision in relation to the De Vry board created concerns about my dedication to this campus. I have accepted this mistake and I have apologized for it.

⁹ Investigative Report, page 64

¹⁰ Investigative Report, page 4

¹¹ Investigative Report, page 64

¹² Investigative Report, page 77

¹³ Investigative Report, page 100

SOCIAL MEDIA CONTRACTS:

Regarding the social media contracts, the investigation team felt that I had minimized my knowledge of or role in the contracts and that my statements were “**misleading, at best, or untruthful, at worst**”¹⁴, apparently not reaching a conclusion on that issue. I have never intended to mislead the President or anyone concerning my knowledge or role in these contracts. In fact, at the recommendation of UC Davis Foundation leaders, the campus sought to retain social media contractors. Many, including myself, sought referrals to vendors to assist us with social media projects. There were three vendors, many contracts, and several different objectives, including primarily improving the image of the campus, enhancing social media as a strategic vision for learning and creating a Digital Acceleration Lab for the campus, a first of its kind center for an American university. I believe the contracts, the number of vendors and the interest by the media and the community cause some confusion regarding the objectives of these efforts and my participation in them. The investigation team found “**no evidence that Chancellor Katehi was personally involved in the negotiation of the Nevins Contract, nor any evidence that [I] discussed the contract language.**”¹⁵

They also found that “**because the Chancellor’s reputation was so intertwined with that of UC Davis, the work does not appear to amount to a misuse of University resources**”¹⁶. This finding is significant to the extent anyone believes that the contracts were aimed at improving my reputation and not that of the campus.

They also found that “**consistent with Chancellor Katehi’s representations, ... the evidence indicates that the consultants did not aim to “erase” or “rewrite” history. Instead...the contracts generally aimed to improve the reputation of the University and the Chancellor by producing positive content**”¹⁷. This finding is significant given that some have erroneously believed that the contracts were aimed at scrubbing the internet from negative stories about me or the campus.

All in all, I am grateful for the work of the investigation team in exonerating me in 5 of the 7 items which they ultimately investigated. It has been very important for me that the investigation team conduct this investigation and confirm that I did not violate policies that are central to the mission of the academy and to my family, namely the issues of nepotism, conflicts, financial management or personal gain. The other two issues concern unintentional misunderstandings between me and President Napolitano, and it remains my hope that over time these differences will be resolved. I am grateful that there are no material findings regarding nepotism, conflicts, financial mismanagement or personal gain, and that I may continue to work

¹⁴ Investigative Report, page 4

¹⁵ Investigative Report, page 53

¹⁶ Investigative Report, page 59, 60

¹⁷ Investigative Report, page

hard within the academic mission knowing that my integrity has been exonerated on these issues.

It has been my privilege to serve the UC Davis campus as its Chancellor for the past 7 years. During my tenure as Chancellor I was blessed to be surrounded by hard working and committed colleagues who have helped us raise over \$1.13 billion for the campus from wonderful friends and alumni, with a new record this year of \$226 million, to help us grow and expand programs, increase diversity at all levels of the campus, and promote new exciting and promising academic and cultural activities for the campus. I am very proud that our campus has been able to provide free access to education to more than 55% of its undergraduate students, while at the same time it has become one of the top public Universities in the country and around the world and, according to Forbes, in 2016, the first university in the US in terms of the number of women in STEM field.

I attempted to create an aggressive vision of a global university, one which supports faculty development and academic programs, innovation and economic development while it always has at its center the advancement of students. I am proud of your many accomplishments.

I always viewed administration as a service to the academic community. A role we all may play if there is a call for it. I am thankful to all for your support and critique, for your vision about UC Davis and for your efforts to make a difference. As with all service positions, a time comes when we aspire to go back to where our roots are. Being an academic who loves teaching, and seeks to always innovate, I am very happy to go back to what I always have aspired to be, a faculty member. It is true that the past few months have been very difficult for the campus and my family the two things I have loved the most. As a result, at this time, and for the benefit of our campus and my family, I have decided to resign my position as Chancellor and to assume my role as a tenured faculty member with the Department of Electrical and Computer Engineering and with the Interdisciplinary Program of Gender, Sexuality and Women Studies. I am forever grateful to the many who have supported me as Chancellor, or as a colleague, in addition to the many members of the UC Davis Foundation Board, Alumni Board and members of the Davis and greater Sacramento community. I believe in the vision of UC Davis, and I look forward to doing my best to support the campus now and in the future.

My best regards,

A handwritten signature in blue ink, appearing to read "Hatchi", written in a cursive, flowing style.