

Western Kentucky University

TopSCHOLAR®

WKU Archives Records

WKU Archives

2-1992

UA3/8/1 Clippings

WKU President's Office - Meredith

Follow this and additional works at: https://digitalcommons.wku.edu/dlsc_ua_records



Part of the [Higher Education Administration Commons](#), [Journalism Studies Commons](#), [Mass Communication Commons](#), and the [Public Relations and Advertising Commons](#)

This News Article is brought to you for free and open access by TopSCHOLAR®. It has been accepted for inclusion in WKU Archives Records by an authorized administrator of TopSCHOLAR®. For more information, please contact topscholar@wku.edu.

Western in turmoil

How about investigating the regents next?

2-1-92 LHZ

Until lately, the majority of the Western Kentucky University Board of Regents appeared to be acting properly in seeking an audit of certain spending practices at the school. After all, if the regents don't keep an eye on how a state university spends public money, who will?

Now, though, we're beginning to wonder just who needs to be under scrutiny at WKU. The board majority's attempts to hire former Gov. Louie Nunn to supervise the audit don't inspire a lot of confidence.

The majority's first two tries at hiring Nunn as a special attorney may have violated the law and the board's own rules. At least, that's what two regents claim in a lawsuit against their own board.

So, this week, the board changed tactics. It voted to hire Nunn as a university employee,

with no mention of him acting as a special counsel or attorney for the board. Nunn's salary will be \$12,000 a month for up to six months. That raised even more questions about the board majority's wisdom and motivation.

The most frequently questioned of the university's spending habits is the \$2,000-a-month entertainment allotment to the wife of WKU President Thomas Meredith. So, the board is spending \$12,000 a month to have Nunn audit an expenditure of \$2,000 a month and a few other questionable money practices.

Something doesn't make sense here, particularly since WKU already employs a full-time internal auditor and has a contract with an outside accounting firm to do audits, as well. Maybe the next auditor hired by WKU ought to take a close look at the board's own spending habits.

Two regents going to court to block Nunn

By DAVID C.L. BAUER
and EVANS DONNELL
The Daily News

Two Western Kentucky University regents seeking to bar former Gov. Louie B. Nunn from advising the Board of Regents plan to return to court Monday to further squelch his involvement.

Bowling Green attorney J. David Cole said Saturday that he will amend a lawsuit Monday filed by regents Steve Catron and Bobby Bartley against the Board of Regents to prohibit it from carrying out plans approved Thursday that would make Nunn a temporary university employee.

The amended complaint will ask the court to void the appointment, which Cole said is not allowed because it was made without the recommendation of President Thomas Meredith. State law provides that a board of regents cannot make such an appointment without the president's say-so, according to the amended complaint.

It doesn't matter what Nunn is called, he's doing the same thing, Cole said. He was referring to the hiring being the third appointment of Nunn to work with the board. The first two votes were appointments as general counsel.

The board approved Thursday hiring Nunn to supervise an audit of some university accounts, many of which are controlled by Meredith. Nunn will be paid \$12,000 a month for up to six months. The board, in its 6-3-1 vote, also specified that Nunn might be used for additional

tasks as the board sees fit.

Regents Catron, Bartley and Fred Travis voted against the hiring, which Catron said was an attempt to circumvent the law. Regent Monnie Hankins abstained.

The board originally hired Nunn as special counsel Jan. 17 after a series of executive sessions during a special-called meeting. Nunn said after the meeting that he was asked to become special counsel to the board because of a conflict of interest in having university attorney A. Franklin Berry Jr. represent the board and the university in an audit that involves Meredith. Nunn did not specify his role with the board.

Catron and Bartley, who opposed the hiring, filed suit Jan. 22 in Warren Circuit Court and a temporary injunction was issued against engaging Nunn in that capacity.

In the lawsuit, the two contend the manner in which Nunn was originally hired violated the Kentucky Open Meetings Act — the two claim the decision to hire came during an executive session — and the Board of Regents' own bylaws. The lawsuit also asserts that any appointment of legal counsel to a state board, such as a board of regents, must be approved by the governor.

Nunn's second hiring came Tuesday.

The board, meeting in Frankfort to retain the law firm of Stoll, Keenon and Park to represent it in the lawsuit filed by Catron and Bartley, voted 7-2 with one abstention to hire Nunn as special counsel. The vote was identical to the initial vote to hire Nunn.

WKU wants restraining order lifted

BOWLING GREEN, Ky. — The Western Kentucky University board of regents asked a judge yesterday to dissolve a restraining order that prohibits the hiring of former Gov. Louie Nunn as a counsel.

The motion was filed in Warren Circuit Court by board attorney William E. Johnson. A hearing on the motion was scheduled for March 2.

The regents first hired Nunn as a special counsel on Jan. 17, but regents Steve Catron of Bowling Green and Bobby Bartley of Glasgow went to court, alleging that the regents had held an illegal meeting. They also contended that a special counsel has to be appointed by the governor, not hired by the board.

Warren Circuit Judge Thomas Lewis issued a restraining order against the board and its chairman, Joe Iracane of Owensboro, pending a hearing on the lawsuit by Catron and Bartley.

The board then held a special meeting in Frankfort last week and again voted to hire Nunn as a special counsel. Last Friday, the board voted to make Nunn a university employee, rather than a special counsel. His title would be the university's supervisor of audits.

Catron and Bartley indicated they would ask that their suit be amended to include the board's most recent hiring of Nunn.

The board has been sharply divided over university President Thomas Meredith. Iracane and board Vice Chairman Patsy Judd of Burkesville have pushed for an audit of Meredith's spending. Catron and Bartley are supporters of Meredith's.

Regents seeking hiring suit dismissal

By EVANS DONNELL
The Daily News

Western Kentucky University's Board of Regents plan to ask a judge this week to dismiss a lawsuit resulting from the hiring of former Gov. Louie B. Nunn.

The regents' attorney, William E. Johnson, said today that he will wait to file such a motion until after he sees an amended complaint being filed by J. David Cole, attorney for regents Steve Catron and Bobby Bartley. The two filed suit against the board after it hired Nunn as special counsel.

Cole said he would file the amended complaint today.

"I was going to file it until I saw that they had filed a motion to dissolve the restraining order. I decided to look at that before I filed

our amended complaint," Cole said.

Johnson filed his motion Monday. In it, he asked Warren Circuit Judge Thomas Lewis to dissolve a restraining order issued Jan. 23 against hiring Nunn as special counsel because a later hiring of Nunn as audit supervisor rendered the initial hiring moot.

"The order applied to him being hired under a special services contract," Johnson said.

Nunn was hired again Thursday, this time as a temporary university employee who will oversee an audit of several university accounts, many of which are overseen by President Thomas Meredith.

The restraining order "did not apply to him being hired as a university employee," Johnson said.

Nunn was hired at a salary of \$12,000 a month for a period not to exceed six months as audit supervisor. He originally was hired for \$150 an hour plus expenses as special counsel to the board.

Catron and Bartley have asserted that Nunn's hiring was improper because the governor did not give his approval. They also contend the closed executive session used to discuss Nunn's hiring was in violation of the state's Open Meetings Act.

Cole said the amended complaint referred to a law mandating that the university president must make a recommendation before regents can hire anyone. Johnson, however, said another law gave regents the power to do so.

"What if a school had no president for a while? How would they hire professors and others?" Johnson asked.

The hearing on the motion to dissolve the restraining order will be March 2.

"I wish we could have it sooner, but that's the first available date," Johnson said.

The audit Nunn would supervise was approved by the board at its December meeting. It would look at some accounts controlled by Meredith.

Regents hired Nunn as special counsel twice — by a 7-2-1 vote Jan. 17 and by an identical margin Jan. 28 at a special meeting in Frankfort. The vote to hire Nunn as audit supervisor was 6-3-1.

Reader's forum

Situation at WKU shows some regents misguided on spending priorities

KATHY LEATH

210 Peachtree Lane

On Jan. 29, Richard Schell's (Mailbox) question of "What Gives?" appeared in this paper. The answer is, "Those who have the least to give." The part of his letter that I will address is about the hiring of former Gov. (Louie B.) Nunn at \$150 per hour plus expenses (limit not considered).

This year, Western Kentucky University was hit with budget cuts of over \$2 million dollars. Every department at Western was forced to tighten its belt. Several departments lost funds that would have hired additional faculty, provided equipment for students and retained personnel. I was one of those affected by budget cuts: There wasn't enough money for me to return to work this semester.

There are two things that make my leaving Western bitter: Last year the Athletic Department was allowed to have a \$1.3 million deficit. Little was said about this except for one coach complaining in the (College Heights) Herald about team members being forced to take flights with numerous connections when traveling out of town for competition. On the other hand, the WKU Forensic Society — ranked first in the state and in the top 50 nationally — has to carefully budget their funds and decide whether they could afford to attend state and national tournaments, while using university vehicles.

The second and most bitter thing about leaving Western was the recent attempt of hiring former Gov. Nunn as special council for the Board of Regents. Many people don't realize that one hour of Nunn's time would pay for 29 hours of employment for a Rank VIII, part-time staff member.

Chairman (Joe) Iracane has given the impression that the business of the Board of Regents is private and should not be the topic of discussion in the "Chamber's chamber." Bravo to (Regent Steve) Catron for having the intestinal fortitude to stand up to Chairman Iracane.

(EDITOR'S NOTE: Ms. Leath's views do not necessarily reflect those of the Daily News.)

Nunn: House panel's letter is a political ploy

By EVANS DONNELL
The Daily News

Former Gov. Louie B. Nunn today labeled as a political ploy a letter from a state House of Representatives' subcommittee that questions Nunn's hiring Thursday by Western Kentucky University's Board of Regents.

The letter, signed by state Rep. Mark Farrow, D-Stamping Ground, the chairman of the House personal service contract review subcommittee, advised Western President Thomas Meredith and board Chairman Joe Iracane that Nunn's contract — in which he was hired for \$12,000 a month to supervise an audit of university accounts — had to be approved by the Legislative Research Committee if Nunn was hired under a personal service contract.

The board contends, however, Nunn was hired under a university employee contract that would not be

subject to review.

Nunn said the letter, which was prompted by Farrow's review of newspaper articles, was an attempt by regents Steve Catron and Bobby Bartley to "divert attention from the problems at Western onto me."

Catron and Bartley have filed suit against the board against Nunn's hiring.

"This is just another political ploy on their part. They've now used all three branches of the government to get after whatever it is they wish to get after," Nunn said.

Catron has said he has great personal respect for Nunn. He said he does not see why Nunn should be hired by the Board of Regents to conduct an audit when the university is financially strapped because of massive cuts in state funding.

Bartley has declined comment on

Continued Back Page
Column 4, This Section

Nunn

From
Page 1

the matter.

Both regents filed a lawsuit Jan. 23 that contends the hiring of Nunn on Jan. 17 as special counsel was improper. Their lawsuit was amended this week to contend that Nunn's hiring Thursday as audit supervisor was invalid because a Kentucky law requires that the university's president recommend the hiring of anyone considered for employment by the Board of Regents.

"If (Bartley and Catron) are worried about fiscal responsibility, they should be more concerned with some of the losses the university's had in the last few years," Nunn said.

Nunn was referring, among other things, to the loss of more than \$1.3 million in money handled by the food services department of the university.

Iracane said the board hired Nunn because of his reputation.

"He's known for his honesty and integrity," he said.

Iracane declined comment on Farrow's letter.

Forget Louie B. Nunn; put money into dorms!

Editor, Daily News:

To the Western Kentucky University Board of Regents: Forget Louie B. Nunn! Go over to PFT (Pearce-Ford Tower) where my son lives and lay down on his mattress — no springs! Appropriate some paint.

Our daughter goes to Western, too, but she refuses to live in a dorm.

*Mike and Mary Ann Gray
WKU Alumni
Henderson*

Nunn says he will return half of money from WKU

By DAVID C.L. BAUER
The Daily News

Former Gov. Louie B. Nunn said today that he will return about half of what he makes while supervising an audit of Western Kentucky University accounts.

Nunn was hired Jan. 30 by the university's Board of Regents to supervise an audit that targets many accounts under the control of President Thomas Meredith. His hiring — which came after two contested attempts to hire him as special counsel for the board — for up to six

months at \$12,000 a month has come under fire from some regents and others involved with Western who assert the fee is too much.

"For almost five years I have, at great personal sacrifice and financial loss, served as chairman of the board of Kentucky State University and Morehead State University. I served without pay and without reimbursement of much of my personal expenses. I did this in the in-

Continued Back Page
Column 4, This Section

Nunn

From
Page 1

terest of my state, education and especially the youth of Kentucky," Nunn said in a prepared statement.

"During my limited restrained time at Western Kentucky University, conditions have come to my attention which need to be corrected quickly and at a minimum cost. Therefore, it is my intention to return to Western Kentucky University a sum equal to at least one half of any amount paid to me after deducting expenses," he said.

The money will be returned as a gift to the university in the form of a scholarship or addition to a scholarship for a minority or financially underprivileged student, Nunn said.

Whether the return calms the turbulent waters that have accompanied his hiring doesn't matter, Nunn said today from his home.

"It's immaterial to me about calming the waters pertaining to me. I hope to get others to share the same interest in Western," he said.

His hiring — both as general counsel and then later as audit supervisor — is the subject of a lawsuit filed by regents Steve Catron and Bobby Bartley. The two contend his hiring as audit supervisor was an attempt to circumvent the law and get around asserted improprieties of his first hiring.

A restraining order was placed against the board from engaging Nunn as special counsel and an attorney for the board said today that he is seeking to dissolve or clarify that order.

"We want a speedy consideration to find out what the board can or

cannot do under this restraining order," board attorney William E. Johnson said. Circuit Judge Thomas Lewis issued the order Jan. 23.

"If we dissolve the restraining order, in my opinion, we may go a long way toward ending this suit," Johnson said.

Johnson said his firm has not filed a motion to dismiss the suit.

Nunn said past months at Western have raised "more stench than ever heretofore known" but what matters is the university's future.

"I have concern for the president and all the people there and concern for the board, but all of them shall pass away sooner or later, but Western has to continue with its fine tradition ... and not be tainted by personalities," Nunn said.

AG opinion: Nunn hiring subterfuge

By EVANS DONNELL
The Daily News

The state attorney general's office has come down hard against what it sees as improper procedures used by Western Kentucky University's Board of Regents in hiring former Gov. Louie Nunn, the *Daily News* has learned.

"It is difficult to believe that a state university board of regents, knowing of the penalties involved, would deliberately adopt such a transparent subterfuge to flout the personal service contract requirements," said an opinion signed by Attorney General Chris Gorman and Assistant Attorney General Ross T. Carter.

The opinion said regents could not hire an attorney without approval from the governor and the attorney general.

Gorman said state law mandating this approval was "equally mandatory when the employment is done on a full-time or part-time basis by placing the attorney on the department's payroll."

Penalties for violation of this law include a fine of not more than \$1,000 or not more than one year in prison, or both, Gorman said.

Regent Steve Catron, one of two regents suing the board over Nunn's hiring, said the opinion should concern regents who voted to hire Nunn. Catron said he did not seek the attorney general's opinion.

"I would be very concerned if I were sitting on the other side of this lawsuit. I am gratified that our interpretation of Kentucky law is consistent with the interpretation expressed by the attorney general in his letter," Catron said.

Catron and Regent Bobby Bartley filed a lawsuit Jan. 23 against the board. In it, they claimed the hiring of Nunn as special counsel was improper because it was done without the approval of the governor.

They also asserted that the Jan. 17 meeting where Nunn was initially hired violated the state's Open Meetings Law because his hiring was not part of the announced agenda. Regents voted a second time to hire Nunn on Jan. 28 during a special meeting in Frankfort.

A restraining order issued Jan. 23 has prohibited

Nunn

From
Page 1

the board from seeking Nunn's advice as special counsel.

Nunn was first hired at \$150 an hour plus expenses. His compensation was changed to \$12,000 a month when the board voted 6-3-1 Jan. 30 to hire him as an audit supervisor. His contract as audit supervisor was for a period not to exceed six months.

Catron and Bartley amended their complaint last week to argue that Nunn could not be hired as audit supervisor without university President Thomas Meredith's recommendation. William E. Johnson filed a motion Thursday for the plaintiffs that asked Warren Circuit Judge Thomas Lewis to either dissolve or clarify his restraining order against the board.

Nunn and Board of Regents Chairman Joe Iracane were unavailable for comment today.

Continued Back Page
Column 6, This Section

NUNN

by the governor, not hired by the board.

Butler, who made the motion to hire Nunn a third time, said he hoped the controversy is resolved.

"He's a salaried employee of the university now," Butler said. "He's not any outside legal counsel. He's a salaried employee of the university like other employees up here at the university. Certainly the board has the authority to hire personnel at Western Kentucky University."

Butler also said he hoped the arrangement would keep costs of the special audit down and bring harmony to the board.

"Hopefully we can get on with the business of running the university," he said.

But comments by Catron, Bartley and Travis do not promise renewed harmony.

"I think it just puts more salt on an open wound," said Travis, who voted against hiring Nunn and against the motion to adjourn.

The board originally hired Nunn Jan. 18 as a special counsel at a fee of \$150 per hour. He was brought in to assist the board specifically regarding the audit. But six days later Warren Circuit Judge Thomas R. Lewis signed a temporary restraining order barring Nunn from representing the regents. The order arose from a lawsuit filed Jan. 23 by Catron and Bartley.

Tuesday the board, meeting in Frankfort, voted in open session to hire Nunn again as special counsel.

Butler said the board needed to adjourn Thursday after hiring Nunn and without attending to scheduled business because it does not have legal counsel. University attorney Franklin Berry has said he cannot advise the board regarding conflicts among regents or between the board and Meredith.

Butler said the regents should reconvene only after a hearing is held on the restraining order.

Iracane has a dim view of the injunction.

"It's a frivolous attempt to do whatever, I don't know," Iracane said. "Until we have legal counsel and an understanding of the injunction, we don't want to go out and violate anything related to the law."

Butler said he hoped the university wouldn't have to employ Nunn for the entire six months. Nunn said he was ready to go to work immediately.

"The restraining order does not pertain to what I do in any form or fashion except it could affect the board, not me, because I was not a party to the action," he said. "Therefore I feel at liberty to proceed in any manner I choose to unless the board takes additional action."

But Nunn decried the controversy, which has now been going on for several months.

"It is tragic, very sad, to see what is going on here at Western Kentucky University for no apparent good reason except personality conflicts," Nunn said. "I hope these people will soon put this behind them. I feel the action taken by the board this morning eliminates any questions that were raised in the lawsuit that was filed."

Nunn wasn't ready to predict if a second suit would be filed.

"Having observed the conduct of some of the people here I wouldn't attempt to anticipate anything, including trying to restrain the sun from rising in the morning," he said.

Catron left the meeting quickly and was not available for comment. Bartley referred all questions about the lawsuit to Catron.

Nunn has been involved in controversies at Morehead State University and Kentucky State University, both of which resulted in the ouster of their presidents. But Iracane defended Nunn's hiring by Western's regents, noting his standing as a former governor and a lawyer, his support of WKU when he was governor and his interest in higher education.

Nunn hiring may skirt state law, Gorman says

By CYNTHIA CROSSLEY
Staff Writer

Western Kentucky University's board of regents may be trying to get around a state law governing personal-service contracts in its hiring of former Gov. Louie B. Nunn, according to an opinion issued yesterday by Attorney General Chris Gorman.

The opinion says the attorney general cannot say specifically if the regents have circumvented the law.

However, "if an individual is hired as a part-time employee ... for an agreed-upon time period and compensation, then we believe a presumption would arise that the hiring was done in order to avoid the law governing personal service contracts," says the opinion, which is signed by Gorman and his assistant, Ross T. Carter.

The regents hired Nunn Jan. 30 to guide an audit of 11 university spending areas — most controlled by Western President Thomas C. Meredith. The board, which fixed his pay at \$12,000 a month for a maximum of six months, had made two previous efforts to hire Nunn as special counsel.

The law cited by Gorman requires copies of personal-service contracts to be filed with the Legislative Research Commission along with documentation showing the need for the service and that it can't be provided by another state agency or employee. A legislative subcommittee must review the contract before payment can be made.

Gorman's opinion says that law "plainly applies" to a state university's hiring of an attorney, "or anyone else for that matter, on a contract basis."

After noting that the maximum penalty for violating the law is a \$1,000 fine and a year in prison, the opinion says: "It is difficult to believe that a state university board of regents, knowing of the penalties involved, would deliberately adopt such a transparent subterfuge to flout the personal service contract requirements."

The opinion was issued to Legislative Research Commission Director Vic Hellard Jr. at the request of an unidentified "General Assembly member." Hellard requested the

See **HIRING**

Page 3, col. 4, this section

Hiring may skirt law, Gorman says

Continued from Page B 1

opinion Jan. 31, said Bobby Sherman, deputy director of the LRC.

Sherman and Hellard declined to identify the lawmaker who requested the opinion, but state Rep. Billy Ray Smith, D-Bowling Green, acknowledged yesterday that he was one of a group of legislators questioning the hiring.

"Our thinking was (that) the board should have acted in accordance with the statutes," Smith said. "Two things make it a personal contract: They named the terms and the length of time."

Smith said he first talked to state Rep. Mark Farrow, D-Stamping Ground, chairman of the subcommittee that reviews personal-service contracts, about Nunn's hiring.

"And I called Vic Hellard and some other people and told them to contact the proper authorities," Smith said. "And I think that's where we got the attorney general's opinion. There's more than one legislator involved; Mark's aware of it, and our leadership in the House is aware of it."

Smith also said he was "very pleased" with what he called "one of the stronger opinions I've ever read."

Farrow could not be reached for comment yesterday.

Nunn said he would work for free if necessary.

"I assume we'll get it worked out. If the courts don't, why, I doubt they can restrain me from working free of charge. If it takes that to straighten up the mess that I see existing down there, why then I guess that's what I'd be willing to do."

Western regents chairman Joe Iracane of Owensboro deferred comment yesterday to Frankfort at-

torney J. Guthrie True, whose firm is defending the regents against a lawsuit over Nunn's hiring.

True, who said he had not seen the opinion, cited a different section of law which he said gives regents the "ultimate hiring authority for the university." And he questioned whether the attorney general's reading of the law would apply to all university attorneys, who he said he assumed were hired on annual contracts.

"That makes absolutely no sense whatsoever," True said. "It's quite obvious that politics are running this whole scenario down there, unfortunately."

True also questioned the speed with which Gorman responded to Hellard's request for an opinion, calling it "an almost overnight process. You send a request for an attorney general's opinion and see how quickly you get it. ... It's a little suspicious."

Nunn feels AG's opinion is another delaying tactic

By EVANS DONNELL
The Daily News

A state attorney general's opinion that brings into question the hiring of former Gov. Louie B. Nunn by Western Kentucky University's Board of Regents is a delaying tactic by those opposed to the hiring, Nunn said today.

The opinion, which does not have the full weight of law, was issued Monday. Attorney General Chris Gorman said in the opinion that the Board of Regents needed the approval of the governor and the attorney general to retain the services of an attorney under a personal service contract, such as under which Nunn originally was hired.

The opinion also said state statutes mandated going through that procedure whether the employment was full-time or part-time when the attorney was placed on the university's payroll. The board placed Nunn on the university's payroll when it

hired him as an audit supervisor at \$12,000 a month for up to six months.

Nunn originally was hired Jan. 17 by the board and a lawsuit was filed over that hiring. The board again hired Nunn the following week. Both hirings were as general counsel. Nunn was appointed by the board Jan. 30 to oversee an audit of university accounts.

Warren County Commonwealth Attorney Steve Wilson said today that he has no plans to bring the matter before a Warren County grand jury and an attorney defending the board in the lawsuit contesting Nunn's hiring has mailed a motion to dismiss the case to the Warren Circuit Court Clerk's Office.

Wilson said the matter was within a grand jury's jurisdiction should they wish to consider it.

"But I have no plans to submit it to

**Continued Back Page
Column 4, This Section**

Nunn

From
Page 1

them. From my reading of the opinion, it's my understanding that a misdemeanor charge would be the only one possibly involved," Wilson said.

Regents Steve Catron and Bobby Bartley filed suit Jan. 23 after Nunn was hired by the board Jan. 17. The two allege that his hiring violated state law and university bylaws. The lawsuit was amended last week to include Nunn's hiring as an audit supervisor.

"This is just another delaying maneuver by those people who don't want this matter resolved," Nunn said.

Nunn said he had no plans to step down from the audit supervisor's position.

"I've never been a quitter and I'm not going to quit now," he said.

The opinion was signed by Gorman and Assistant Attorney General Ross T. Carter. It was requested by Legislative Research Commission Director Vic Hellard Jr. on behalf of an anonymous member of the General Assembly, according to Ed Lynch of the Attorney General's Office.

Violation of proper procedure in hiring a public employee under a personal services contract carries with it a fine of not more than \$1,000 and a prison sentence of not more than one year, or both, according to the opinion.

Guthrie True, a partner in the law firm representing regents in the lawsuit, said today that he had sent a motion to dismiss the case by overnight mail from Frankfort. Circuit Court Clerk Pat Goad said today that she has not received the motion, which will be filed with the rest of the case documents when it is delivered to her office.

Warren judge delays decision in Western regents lawsuit

by EVANS DONNELL
The Daily News

A Warren Circuit Court judge took under advisement today motions from both sides involved in a dispute over the hiring of former Gov. Louie B. Nunn by Western Kentucky University's Board of Regents.

Regents.

Judge Thomas Lewis was asked by one side to dismiss the case filed against the board by regents Steve Catron and Bobby Bartley. Catron and Bartley are asking that Lewis place an injunction that would prohibit the board from using Nunn until the case is settled.

til the case is settled.

Nunn was hired Jan. 17 as special counsel to the board, which the following week again hired him as special counsel. The board, when sued over the hiring, on Jan. 30 hired Nunn to supervise an audit of some university accounts, including

many controlled by President Thomas Meredith.

Catron and Bartley also are asking that the audit be completed without 60 days, without Nunn's assistance.

Lewis listened to arguments from attorneys for the two sides and then

said he would take the matter under advisement. He did not say when he expected to rule on the matter.

He wasn't going to put himself under any kind of deadline, Lewis said.

Catron and Bartley sued the board Jan. 23. They alleged that Nunn's

hiring as special counsel was improper under state statutes and Western's bylaws.

The board also voted to hire Nunn as counsel at a Jan. 28 special

Continued Back Page
Column 4, This Section

WKU lawsuit

From
Page 1

meeting in Frankfort.

The suit was amended last week to include the Jan. 28 vote and the board's decision on Jan. 30 to hire Nunn as an audit supervisor. The plaintiffs maintained that Nunn cannot be hired without the approval of Gov. Brereton Jones and the recommendation of Meredith.

State Attorney General Chris Gorman issued an opinion Monday in which he said that Nunn would need the approval of the governor and the attorney general if he was hired under a personal services contract. Lawyers for the board have

contended that Nunn was hired under a university employee contract and not a personal services contract.

Guthrie True, a partner in the law firm representing the board, filed a motion Friday to dissolve or clarify a temporary restraining order issued on Jan. 23 which barred the board from utilizing Nunn's services as counsel.

True filed a motion Wednesday to dismiss the lawsuit.

The attorney general's opinion does not carry the full force of law, according to Ed Lynch of the at-

torney general's office.

Nunn's compensation was set at \$150 an hour plus expenses when he was hired as special counsel. His pay rate was changed to \$12,000 a month for a period not to exceed six months when he was appointed to the audit supervisor's position.

The audit Nunn was hired to supervise concerns university accounts. Most of those accounts are controlled by Meredith.

The audit was authorized by regents during their December meeting.

Mailbox

Regents have misplaced the priorities of spending

Editor, Daily News:

Students in my freshman English class spent a few minutes working through some basic mathematics with me. We figured out how many hours in an average week I actually spend in class, preparing lessons for my classes, and grading papers. We did not even try to add in the hours I spend on committees, working on departmental business, advising (I'm the advisor for all the writing majors and minors), doing reading and research in my field, or writing for publication.

After we had figured out just the hours I spend in class and preparing for class, we multiplied that number by the wage per hour the Western Kentucky University Board of Regents is prepared to pay Mr. Louie Nunn. Were I paid at the rate of his consulting fee, I would be making more than \$190,000 per year. I could live very nicely with such a fat annual salary. As it is, of course, I live on less than a fourth of that amount.

This year departments have been asked to cut their budgets, and hiring even to replace faculty who leave or retire has been placed on hold. At Western classes are overcrowded, students can't get into courses they want and need, no compensatory time is being given to faculty conducting research, travel money for professional conferences and meetings is nearly non-existent, and the legislature has even talked about asking us to take a pay cut. This year to help deal with the situation I allowed my writing classes to grow to the point where my students are being cheated out of workshop time, and I have paid for the photocopying of all the materials I must hand out to my students.

In the face of such budget shortfalls and near financial disaster, I do not understand how the Board of Regents can justify spending enormous sums of money to hire attorneys to fight their squabbles for them. I am embarrassed by the situation this puts the university in; we are being made to look like a passel of fools. It's a disgrace to be wasting money this way instead of using it to educate our students properly.

Karen L. Pelz

Professor of English

Western Kentucky University

706 Magnolia St.

Enrollment at WKU could drop

Editor, Daily News:

My prediction is that enrollment at Western Kentucky University will drop by a good 10 percent this year for the fall semester. Parents and students are looking for a place where the business of education is top priority on the list of the regents and the administration.

Western can be analogized to a large ship in a storm without a rudder, this predicament caused in most part by the tunnel vision being displaced by the Board of Regents. If it were not such a serious matter, it along with the city's Hartland

Mailbox

project could be declared a real comedy of errors.

Someone (the governor I suppose), should put a stop to such flagrant abuse of time by a body that should be addressing the real needs of the university, namely the furthering of education in an institution of higher learning. This is brought about by a combination of good academic and business practices, developing a good administrative program requiring qualified professionals and most importantly direc-

ting attention to the hiring of good faculty and paying them a good salary.

The students deserve the above. They are paying for it. They, the alumni and this community are sick of the way the regents are acting: political in-fighting and selfishness. If Mr. (Joe) Iracane can't control this matter, then get someone else. If they are all to blame, replace them all. Put your minds in the right direction regents, better education and how to attain it. Shame on you.

John Jackson
1229 Stubbins St.

WKU regents plan to hire an auditor

By EVANS DONNELL
The Daily News

Western Kentucky University's Board of Regents plans to hire an auditor Thursday during a special meeting.

Vice Chairman Patsy Judd and Regent Danny Butler requested the meeting, according to board secretary Liz Esters. Both were unavailable for comment today.

The audit was authorized at the board's December meeting. Most of the accounts involved in the audit are controlled by university President Thomas Meredith.

The board hired former Gov. Louie Nunn as special counsel on Jan. 17 and again on Jan. 28 to advise them on whether the audit was necessary. A lawsuit filed Jan. 23 by regents Steve Catron and Bobby Bartley contending that the board lacked authority to hire Nunn led to the second vote.

Regents decided to change Nunn's hiring status to that of audit supervisor at the board's Jan. 30 meeting. He will be paid \$12,000 a month to perform that function for a period not to exceed six months.

Nunn was originally hired at \$150 an hour plus expenses when he accepted the post of special counsel.

Warren Circuit Judge Thomas Lewis heard motions Thursday from lawyers for both sides in the lawsuit. John David Cole,

who represents Catron and Bartley, asked the judge for an injunction to bar the board from using Nunn until the case is settled.

Nunn contends that a restraining order issued by Lewis that prohibits the board from seeking his advice on the audit does not apply to him since he was not named as a defendant in the suit.

William Johnson, who is representing the board in the suit, moved that the judge dismiss the case. Lewis was not ready to issue an opinion on the motions today, according to his office.

Meredith has declined comment on the audit.

Nunn was embroiled in the controversial departure of John Wolfe, who is black, from the presidency of Kentucky State University. Students at that school accused Nunn of racism during his tenure as chairman of the KSU Board of Regents.

Nunn has called that charge ridiculous and maintained that he had nothing to do with Wolfe's departure.

Catron has said that he feels the audit was unnecessary. An internal audit issued Oct. 25 pointed out that the accounts controlled by Meredith were set up before he came to the university. It recommended that procedural changes be made concerning the way the accounts were set up.

Mailbox

WKU debacle needs thorough examination

Editor, Daily News:

I am one taxpayer who is tired of the fiasco at Western Kentucky University and throughout education in Kentucky.

The concerned self appointed citizens group in Bowling Green should be silent. They have no authority in the matter.

Whether former Governor Nunn is the right man to investigate the financial affairs of the University is a matter of dispute. Certainly he, or another, outside person should conduct a thorough audit and investigation. The strenuous effort to suppress such an audit suggests that someone has something to hide.

The waste of taxpayer money throughout Kentucky in the name of education is intolerable. The tax-

payors of Kentucky are overburdened while the quality of education at all levels continues to decline. It is probable that our money is not being used wisely. A thorough audit of this one institution may give the taxpayers some much needed answers.

If the administration and board of regents at Western Kentucky University cannot manage the financial affairs of the institution, they should step aside, either voluntarily or involuntarily. More competent people can and should do it for them. Short of a full investigation and disclosure at the university, we taxpayers should borrow a page from the war on drugs and "just say no."

J. H. Smith
3509 Nashville Road

Nunn deserves pay; WKU audit stalled

Editor, Daily News:

All of the discussion about former Gov. (Louie B.) Nunn's salary strikes me as "much ado about nothing." Certainly, as ex-governor and prominent lawyer, he commands a high figure for his services, especially when it is related on an annual basis. However, his salary is a mere drop in the bucket when compared with the outrageous athletic deficits that Western Kentucky University administrators and regents have allowed to drain the university's budget over the years. Besides, if Regents (Steve) Catron and (Bobby) Bartley had not resorted to injunctions to stop the process, the audit and former Gov. Nunn's role might conceivably have been completed by now. Their obstruction has caused many people to wonder ...

Richard D. Weigel
443 Ashmoor Drive

WKU audit contract questions raised

By STAN REAGAN
The Daily News

A decision today by Western Kentucky University's Board of Regents has raised contractual questions of how it could hire a second firm to conduct an audit from which has stemmed a grand jury investigation.

The regents approved a measure in December to have the Bowling Green accounting firm of Baird, Kurtz and Dobson perform a special limited audit of several university accounts — most of which are under the control of Western President Thomas Meredith.

The action was taken after an internal audit found some accounting practices were questionable, but noted no mishandling of expenditures.

BKD was ordered to check that audit and perform a list of other audit checks provided by a four-member audit committee.

The accounting firm holds a contract with the university to perform its regular audit. The contract also stipulates that the firm should do additional accounting tests at the pleasure of the board and at additional expense to the university.

Despite BKD's being given the list nearly three months ago, the regents ditched the accounting firm today.

Ron Shrewsbury, a BKD partner, was asked if the regents planned to allow the firm to finish work it has started without an agreed upon procedures engagement, which makes official any work outside the perimeters of a routine audit.

"It's my impression that they are not" going to allow it, "but they haven't informed us yet," Shrewsbury said.

"They voted to have us do an audit," he said.

No letter of agreement has been signed authorizing the firm's extra work, nor is it known what it will be paid for its work so far.

Regent Robert Chambless, chairman of the audit committee, requested Jan. 17 that the Louisville accounting firm of Arthur Anderson be hired to perform the special audit.

The regents voted today to hire the Louisville firm.

Using an outside firm will raise expenses substantially, said Regent Steve Catron, a Bowling Green attorney who thinks the university will be in violation of the BKD contract

by hiring another firm.

The regents must seek bids, he said.

The grand jury voted Wednesday to look into possible criminal aspects as well as the entire hiring process involving former Gov. Louie B. Nunn, Commonwealth Attorney Steve Wilson said.

"We'll begin subpoenaing people for Wednesday. I don't know how long it will take," he said.

The grand jury will probably ask Warren Circuit Judge John D. Minton Jr. to hold the jury over until it completes the investigation, Wilson said.

Patsy Judd, vice chairwoman of the board and a member of the audit committee, declined to discuss the audit or the committee's intentions Wednesday.

Regents hiring Louisville firm to conduct audit

By EVANS DONNELL
The Daily News

Western Kentucky University's Board of Regents decided today to hire Arthur Anderson and Co. of Louisville to conduct an audit of expense accounts, many of which are under the control of President Thomas Meredith.

Meanwhile, regents Joe Iracane, Patsy Judd, Bobby Bartley and Steve Catron were served with Warren County grand jury subpoenas after the meeting. A grand jury decided Wednesday to investigate the hiring of former Gov. Louie B. Nunn by the board.

The grand jury told Warren Circuit Judge John D. Minton Jr. it would investigate the practices used in the hiring, according to Commonwealth Attorney Steve Wilson.

No one specifically asked the

grand jury to probe Nunn's hiring, but grand jurors decided to broach the subject on their own, Wilson said.

A Warren County sheriff's deputy said the four subpoenas were the only ones that would be served to board members for now.

Nunn said he welcomed the grand jury's investigation.

"This should have been done a year ago," he said.

He said, however, that the investigation "is just another attempt to intimidate me, to intimidate the board."

"I hope everyone will fully cooperate with the grand jury in its investigation. I hope they won't just look at this thing piecemeal," said

Continued Back Page
Column 4, This Section

Opinion



Editorial

Western debacle is reminiscent of Marx Bros. comedy routine

What has Western Kentucky University lost as a result of the ongoing debacle involving its Board of Regents, the president's office, former Gov. Louie B. Nunn and host of other people?

We could say it's lost a number of students out of the upcoming freshman class: Parents who have scrimped to save the money to send their children to college might be unwilling to let their children's education be the fat that falls into the fire.

We could say that Western has lost community support on the whole: That support is now divided among factions — some supporting the president, some supporting regents who favor Nunn and some supporting regents who don't support Nunn.

Others have washed their hands of the matter and don't care anymore. That's saddening.

Meanwhile, a court order barring Nunn's employment as an audit consultant and a lawsuit by two regents alleging improprieties in the hiring of the ex-governor have been interjected into the matter.

Let's not forget to mention the

time and money that has been committed and has yet to be committed to all the hoopla — money and time that should have been used to promote higher education.

If the situation weren't so serious, it would be as laughable as a pie-throwing Marx Bros. movie.

But there's nothing funny here.

A Warren County Grand jury voted Wednesday to investigate the debacle for any criminal wrongdoing Wednesday. That was days after the Kentucky House approved a bill to purge university boards and appoint at least half of the members anew. Those initiatives seek to throw water on the situation.

But it's a hole that keeps getting deeper. At the bottom of the pit lays an unperformed special audit, one which could answer many questions.

The audit — as well as the reputation of one of the state's finest universities — are being buried slowly, one spade full of dirt at a time.

Unfortunately, dirt mixed with water makes mud, and with mud can be made mud pies.



Associated Press

As board chairman Joe Iracane watched, Warren County Deputy Sheriff Roosevelt Johnson, right, served vice chairman Patsy Judd her subpoena to testify about Louie B. Nunn's hiring.

4 WKU regents ordered to testify

2-21-92
By Bill Estep

South-central Kentucky bureau

BOWLING GREEN — A Warren County grand jury yesterday ordered four Western Kentucky University regents to testify about the hiring of former Gov. Louie B. Nunn as an audit adviser.

Sheriff's deputies served the subpoenas as the regents left a meeting where they hired an independent auditor for some university accounts. The audit is part of an escalating controversy over spending by Western's president.

The grand jury ordered Chairman Joe Iracane, Vice Chairman Patsy Judd and regents Stephen Catron and Bobby Bartley to appear Wednesday.

Iracane and Judd have voted to hire Nunn; Bartley and Catron voted against him.

Please see **WKU**, A10

WKU: Regents subpoenaed on hiring of Nunn

From Page One

Warren Commonwealth's Attorney Steve Wilson said the grand jury wants to investigate issues raised in a recent state attorney general's opinion about the board's hiring of Nunn.

The board unsuccessfully tried twice to hire Nunn as a lawyer to oversee an audit. Then earlier this month, the board made Nunn a part-time employee to skirt rules requiring state approval of the hiring.

Attorney General Chris Gorman's office issued an opinion that the board might have violated state law by hiring Nunn as it did. The board is under a court order in a separate case not to seek Nunn's advice.

Nunn, meanwhile, continues to gather information about university spending. He said yesterday he did not know yet whether he would turn over the material to the accounting firm.

He said questions have been raised about alleged improper payments, the use of university facilities by private individuals and violations of contracts.

Nunn said he was glad the grand jury is investigating. "I think it should have been done a year ago."

Wilson said he did not know whether the investigation would branch out to include questions about whether money has been spent improperly or illegally at Western.

Board attorney Bill Johnson said he will advise the regents to cooperate in hopes that the investigation will encompass not only individuals but the underlying problems — apparently a reference to questions about financial improprieties. "That could lead to documents being turned over to the grand jury for consideration," Johnson said.

The dispute over spending began after an internal audit showed Western spent \$41,000 on improvements at President Thomas Meredith's house without regents' ap-

proval. It also showed Meredith's wife, Susan, was getting \$2,000 a month for entertainment expenses at the Merediths' home.

Meredith stopped that monthly payment and said he welcomed an outside audit.

Getting that done has been a rocky road.

Judd's motion yesterday to hire Arthur Andersen & Co., a Louisville accounting firm, to audit university accounts touched off sharp disagreement. Judd wanted the company to audit at least three years' worth of records to "ascertain whether there have been any illegal acts or improprieties committed by university personnel in the handling of university funds and property."

Judd sought to hire the firm on an emergency basis, meaning the board would not have to comply with competitive bidding rules.

Catron objected, saying that

while he supports the need for an audit, he did not think an emergency existed to justify putting aside bidding rules. He also said it was wrong to obligate the board to an audit without a cost estimate, especially when Western is having budget problems.

Judd and Iracane, however, said the audit contract would specify a fee comparable to that of other firms that have bid for university audits.

And other regents said the controversy has created an emergency.

"The controversy is detrimental to the university," said regent Robert Chambless Jr.

By a 6-4 vote, the board hired the audit firm, with Iracane to work out the terms.

The board did not say what accounts will be audited.

Iracane said he will take suggestions from the regents before telling auditors where to look.

Vote by regents may be challenged

By EVANS DONNELL
The Daily News

A lawsuit filed against Western Kentucky University's Board of Regents over its hiring of former Gov. Louie Nunn might be amended to include Thursday's vote to hire a Louisville accounting firm, according to one of the plaintiffs.

"We will meet (with attorney J. David Cole) this weekend to decide exactly how to proceed," Regent Steve Catron said.

Cole was unavailable for comment today.

The regents hired Arthur Anderson and Co. of Louisville to perform an audit of certain university accounts.

Catron said after the Thursday meeting that Regent Bobby Bartley and he had requested that Cole prepare an amended complaint contending that the board's 6-4 vote to hire the Louisville firm went against state statutes governing personal services contracts.

"They declared an emergency so they could proceed as quickly as possible," Catron said.

Catron cited a section of the Kentucky Model Procurement Code that defines an emergency condition. Such a condition is necessary to avoid submitting the contract to the personal services contract subcommittee of the Legislative Research Commission.

"What the board did does not meet with the criteria of the statute," he said.

Bill Johnson, the attorney representing the board in the lawsuit, said Thursday that he felt an emergency situation did exist. Board Vice Chairman Patsy Judd said an emergency exists because of the problems surrounding the hiring of Nunn and the audit.

By approving the motion to hire Arthur Anderson under an emergency condition, the board gave board Chairman Joe Iracane the authority to negotiate a contract with that firm. Iracane said he hoped to finalize the agreement by Monday.

"I've always been in favor of an audit.

Continued Back Page
Column 4, This Section

Regents

From
Page 1

But they should allow Baird, Kurtz and Dobson to do it, the board should know what's going their going to be directed to look at and what it's going to cost, and Louie Nunn should voluntarily step aside," Catron said.

Baird, Kurtz and Dobson have a contract with the university to provide an annual audit of all university accounts. The board initially authorized them to conduct the special audit at its December

meeting, but some regents said Thursday that the firm might have a conflict of interest in conducting the audit.

Catron also said regents should approve a resolution saying they support university President Thomas Meredith. Most of the accounts designated for review by the audit are controlled by Meredith.

Meredith has said he welcomes the audit.

Catron, Bartley, Iracane and Mrs. Judd were subpoenaed to appear before a Warren County grand jury on Wednesday. The grand jury will look into the manner in which Nunn was hired, first as special counsel

and later as audit supervisor.

Nunn is being paid \$12,000 a month for a period not to exceed six months as audit supervisor.

Catron and Bartley contend in their lawsuit that Nunn's hiring was improper because it violated state laws regarding the awarding of personal service contracts. Johnson said his clients properly hired Nunn under such a university employee contract.

"I came to help and I haven't changed. The board has asked legitimate questions and been denied the answers. This matter needs to be cleared up for the good of Western," Nunn said today.

Grand jury summons regents to discuss Nunn's job at WKU

By CYNTHIA CROSSLEY
Staff Writer

BOWLING GREEN, Ky. — A Warren County grand jury has summoned four Western Kentucky University regents to appear Wednesday to discuss the hiring of former Gov. Louie Nunn to head a special audit.

The grand jury is following up on Attorney General Chris Gorman's Feb. 10 opinion, which said the regents may have been trying to get around a state law governing personal-service contracts when they hired Nunn as a university employee.

If the grand jury finds evidence that the state's personal-service contract law has been violated, said Warren Commonwealth's Attorney Steve Alan Wilson, it could issue indictments on misdemeanor charges. Those convicted of violating the personal-service contract law face a maximum penalty of a \$1,000 fine and a year in jail.

As the grand jury opened an investigation into Nunn's hiring, a civil challenge is pending before Warren Circuit Judge Tom Lewis. Several questions are at issue, including whether the regents violated a temporary restraining order barring their use of Nunn as a special investigator, or whether the challenge should be dropped because the board had corrected any errors it might have made in hiring Nunn.

Lewis has been tied up in civil trials since the Feb. 13 hearing on the suit, which was filed by regents Stephen Catron of Bowling Green and Bobby Bartley of Glasgow. Both op-

posed Nunn's hiring.

"After putting the issue off for a week to see what the ruling from Judge Lewis was going to be, and since we don't know when that ruling might be forthcoming, the grand jury wanted to look at the issue," said Wilson, the commonwealth's attorney.

The summons were served on Catron and Bartley, as well as regents Chairman Joseph Iracane of Owensboro and Vice-Chairwoman Patsy Judd of Burkesville, after yesterday's board meeting.

Much of the meeting dealt with routine university business that had been held up when the board, citing a lack of legal counsel, abruptly adjourned Jan. 30.

But yesterday's meeting also included a 6-4 vote to hire the independent auditing firm of Arthur Anderson to review some university spending accounts. Iracane and Judd indicated that the special audit would start with the 11 areas questioned last December by a board audit committee. Most are spending accounts controlled by Western President Thomas Meredith; the university's physical plant and food services budgets were also included.

Iracane said he would negotiate a competitively priced contract with the company.

When Catron questioned whether "a financially strapped university (should) issue a blank check," regent Robert Chambless of Mumfordsville responded that Western's regular auditors, Baird, Kurtz and Dob-

See GRAND JURY
Page 4, col. 1, this section

Grand jury summons WKU regents

Continued from Page B 1

son, "audited the entire university for \$39,950." He said Arthur Anderson "should be able to audit a limited number of accounts for dramatically less."

In hiring the new firm, the regents declared an emergency and dispensed with the usual process of seeking bids. Catron questioned the emergency declaration, saying he believed the board's definition of "emergency" ran counter to state law.

Catron later cited a section of the law governing competitive contracts that defines an emergency as "a situation which creates a threat or impending threat to public health, welfare or safety such as may arise by reason of fires, floods, tornadoes, other natural or man-caused disasters, epidemics, riots, enemy attack, sabotage, explosion, power failure, energy shortages, transportation

emergencies, equipment failures, state or federal legislative mandates or similar events."

But Frankfort attorney William Johnson, whom the board has hired to defend it against the Catron-Bartley lawsuit, cited three reasons why the board could declare an emergency.

"The emergency obviously exists because you have litigation pending by members of this board against this chairman seeking to prohibit the audit being (completed)," said Johnson. "Second, this is a very detrimental thing to the university, and thirdly, it seems to me the board has, by virtue of some information that has been brought to the board relative to questionable practices at least or perhaps illegal activities, the duty under the law to investigate those matters."

Nunn sat in the audience but declined to comment. "I'm Citizen Nunn today," he told reporters.

Nunn opinion questioned by WKU counsel

FRANKFORT, Ky. (AP) — A Frankfort lawyer representing Western Kentucky University's Board of Regents says the state attorney general's office violated its own regulations by issuing an opinion regarding the university.

The opinion, which was about Western's hiring of former Gov. Louie Nunn, could hurt a lawsuit that is keeping Nunn from working at Western, attorney Bill Johnson said.

The attorney general cannot issue an opinion in a case where lawsuits are pending, according to state regulations.

Western's board is being sued by two of its regents, who contend that the school needed approval from Attorney General Chris Gorman and Gov. Brereton Jones before hiring Nunn as an attorney.

But since the lawsuit was already pending, Johnson said the opinion could influence the outcome.

Gorman's spokesman, Ed Lynch, said the attorney general was aware of the restrictions but thinks he did nothing wrong.

WKU regents give grand jury finance data

County attorney
sees effort to shift
investigation focus

By Bill Estep

South-central Kentucky bureau

BOWLING GREEN — The chairman of Western Kentucky University regents yesterday provided information to a grand jury concerning questions about finances and accounting at the school, including spending by President Thomas Meredith.

Providing the documents, prepared by the board attorney from information supplied by Chairman Joe Iacane and Vice Chairwoman Patsy Judd, appeared to be an attempt to get the grand jury to broaden the focus of its investigation, which centers on how and why the regents hired former Gov. Louie

B. Nunn to oversee an audit.

Warren County Attorney Mike Caudill said, however, he did not think the grand jury would be influenced by the documents.

"I view it as an attempt to try to manipulate the grand jury into going in a certain direction and the grand jury's not going to be influenced by it," Caudill said.

But Judd said in a statement that she thinks the grand jury should investigate several issues to determine whether there has been mismanagement or wrongdoing. Included in the investigation would be deficits of hundreds of thousands of dollars in the university's food services, student health services and physical plant, and questions about the creation and use of some accounts.

"Of particular concern is the allegation that interest on agency

Please see WKU, A11

WKU: Grand jury urged to expand its investigation

From Page One

(university) accounts has been siphoned off" to finance an unrestricted spending account for Meredith, Judd said in the statement released by board attorney Guthrie True.

The grand jury could elect to investigate questions about spending at Western or stick to an investigation of the hiring of Nunn.

Western's regents have been embroiled in controversy over attempts to independently audit some school accounts. That effort started last year after an internal audit showed the school spent \$41,000 without board approval to improve Meredith's home.

Judd's statement said Western's physical plant, the department that maintains university buildings, lost \$1.2 million since 1988; health services lost more than \$432,000 since 1989; and food services, after a profit of \$67,444 in 1982, has since lost money every year since, for a total of \$1.2 million.

Meredith came to Western in 1988.

Judd said part of the physical plant's losses were caused by work on Meredith's home.

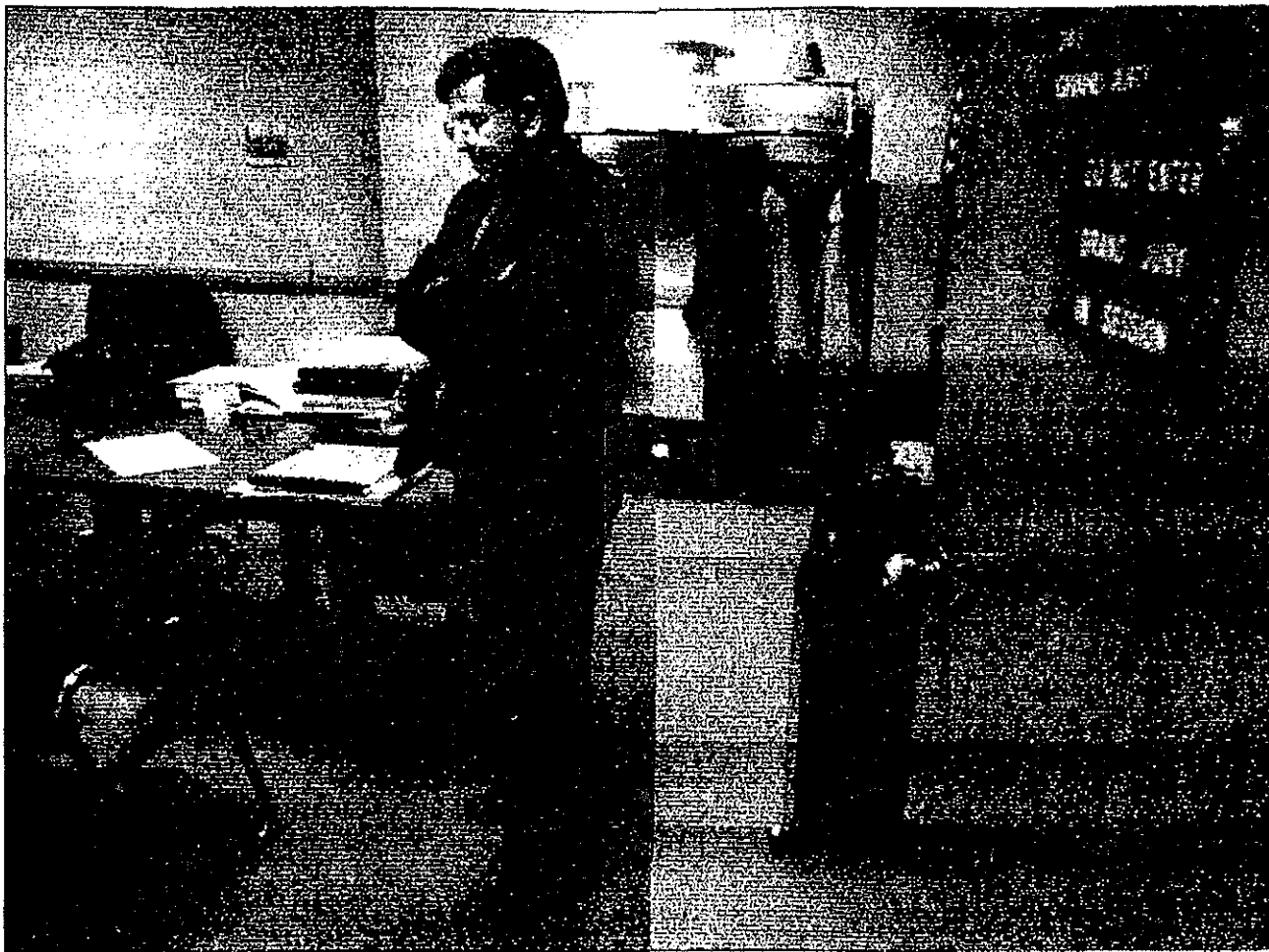
Meredith was out of town yesterday and unavailable for comment.

The board unsuccessfully tried twice to hire Nunn as an attorney to do an audit. Then, in early February, regents hired him as a part-time employee to supervise an audit. That allowed the board to get around rules requiring state approval to hire Nunn.

The grand jury sought an investigation after Attorney General Chris Gorman's office said Western's regents might have violated state law by hiring Nunn.

The grand jury last week subpoenaed Iracane and Judd, who voted to hire Nunn, and regents Stephen Caron and Bobby Bartley, who voted against hiring Nunn and later sued the board over the hiring. The jury later subpoenaed university attorney Franklin Berry.

The jury met for more than nine hours and heard testimony from Iracane, Caron and Judd. Bartley and Berry will testify Wednesday, Caudill said.



Herald-Leader/Ron Garrison

Joe Iracane, chairman of Western's board, waited yesterday for the grand jury's break to end so he could testify.

Iracane, Caron and Judd would not discuss their testimony.

Some observers have suggested the grand jury waded into the fray to shift the focus away from questions about spending and accounting at Western.

True said that jurors might have formed concerns about the situation on their own, but that he thought it was also possible they were encouraged to get involved, "and depending on where that encouragement is coming from, that could make it more questionable."

Caudill, however, said that the grand jury decided on its own to look into Nunn's hiring and that no politics were involved.

The timeline and documents Iracane and Judd prepared for the

jury, as well as Judd's statement, gave new insight into the concerns of some regents, but also created new controversy.

The grand jury tried to subpoena True to provide Judd's statement. True said the statement was from his confidential notes from a client and refused to testify.

The grand jury then subpoenaed Dan Modlin, news director for WKYU-FM, Western's public radio station, and ordered him to turn over a copy of his tape recording of True reading Judd's statement. Modlin complied.

In addition, Meredith's attorney, Charles English, disputed the accuracy of one of the claims in the chronology that Iracane and Judd produced with True's help.

The timeline said Meredith com-

missioned a private audit in late 1989 to answer questions about whether two Western food service employees were using school equipment and food in their private catering business.

The timeline said Meredith did not reveal that he had commissioned the audit, nor did he give the board the results.

But English later brought reporters a copy of the minutes from a regents' meeting of April 26, 1990, showing that Meredith gave regents a copy of the audit.

True said Iracane and Judd did not remember seeing the audit and pointed out that Meredith released the Jan. 12, 1990, audit only after Western's newspaper, the College Heights Herald, published stories about the audit April 17 and 18.

The documents provided to the media and grand jury included:

- The audit of the food service employees' catering business. The audit found the business, which bought food from Western, used university equipment without paying.

- The business paid for the food, but Western's internal auditor, Russell Cornelius, told outside auditors it was illegal for Western to sell food to private caterers for resale.

- Documents related to Cornelius' investigation of the private catering business.

Cornelius had serious concerns about the catering business and recommended that the state auditor's office be brought into the investigation, letters show.

But in a memo Cornelius said

Meredith wanted the inquiry handled quietly. Cornelius resigned April 30, 1990, citing unspecified events that had taken place since he had given Meredith his report on the investigation.

- An Oct. 25, 1991, audit by Western's internal auditor, Warren Irons. The audit of spending by and for Meredith is the one that identified the \$41,000 spent on Meredith's home over 18 months for improvements, including a new roof, paving, carpet and a whirlpool bath.

The Irons audit found that some of the work might have been the financial responsibility of the College Heights Foundation, which leases the home to Western.

It also raised questions about whether a \$2,000 monthly expense allowance for Meredith's wife, Susan, was being properly accounted for. Meredith discontinued the allowance.

The audit found that undistributed interest income, used to finance Meredith's unrestricted spending account, should not have been put into the account. The audit recommended changes in accounting procedures.

The audit said, however, many of the spending practices examined had been in place long before Meredith came to Western, including the expense allowance for entertaining.

- Letters outlining a conflict between the board and Meredith on how and to whom Berry, the university attorney, should report.

Regent Robert Chambliss Jr. told Berry not to tell Meredith the results of a committee meeting last year, Meredith said in one letter.

The letter asked Berry to report to all contacts with regents to Meredith.

Inmate told to stop sending letters to 11-year-old girl

SALEM, Ore. (AP) — A man imprisoned after breaking into a house has been ordered to stop sending love notes to his neighbors' 11-year-old daughter saying he wants to marry her and run away.

Robert Coker, 24, said he loves the girl and has shown his love the only way he knows how. "What happened to romance?" Coker said on KOIN-TV on Tuesday.

Letters from Coker, an inmate at the Oregon State Correctional Institution, to the daughter of Chris and Debbie Peterson of Independence, Ore., began arriving last summer.

Daily News



© 1992 News Publishing Co.

YEAR 138—NO. 50

BOWLING GREEN, KENTUCKY

THURSDAY, FEBRUARY 27, 1992

20 PAGES 2 SECTIONS 35 CENTS

Assertions about Meredith's actions refuted

By EVANS DONNELL
The Daily News

Assertions to a Warren County grand jury that Western Kentucky University President Thomas Meredith tried to squelch an investigation of criminal wrongdoing at the university are fabrications, according to Western's former police chief and others.

A timetable of events presented to the grand jury Wednesday by the attorney for Western's Board of Regents — four members of which were called to testify in a probe of the hiring of former Gov. Louie B. Nunn — claims Meredith ordered a confidential audit of the food services department.

The document said the results of that audit were kept secret and that Western Kentucky University Police

were considering criminal prosecution.

Paul Bunch, the former head of Western Police, refuted the allegations.

"That's a total fabrication. There was no talk of any investigation and no interference by President Meredith or any of his staff while I was there. He never even attempted to void a parking ticket," Bunch said.

The food services matter required disciplinary action by Meredith, Bunch said, "and he took that action. If we had introduced anything to the grand jury on that, we'd have been laughed out of court."

In the timetable, Board of Regents Chairman Joe Iracane and Vice Chairwoman Patsy Judd indicated they knew nothing about the food

services audit, which was completed Jan. 12, 1990, until late 1991 or early 1992.

But an attorney for Meredith said both regents knew about the audit well before that time.

Charles English Sr. referred to the minutes for the Board of Regents' meeting on April 26, 1990. One paragraph of those minutes reads: "A copy of the audit report on Classic Catering was provided to each member of the board for their information."

"I just wanted to make it unquestionably clear that the information (contained in the timetable) ... is incorrect regarding their knowledge about the audit of the Classic Catering," English said.

Guthrie True, an attorney who helped prepare the report, said Wednesday that neither Mrs. Judd

nor Iracane recalled receiving the report reflected in the April minutes.

Louis Cook, the head of Western's food services department, said he had no knowledge of any criminal investigation into the alleged for-profit running of a catering service within food services.

Cook also said Meredith never told him to withhold information from auditors or others.

The timetable also contends the board had not approved a \$2,000 monthly entertainment allowance to Meredith and his wife, Susan, along with repair work and a whirlpool installed at the president's home.

Former regents Wendell Strode and Ronnie Clark both wrote letters to Iracane in December reminding him that the board knew of those expenses and approved of them, according to letters issued to reporters

outside the grand jury chamber.

Grand jury foreman Frank St. Charles was one of a group of business and community leaders who in the fall signed a petition supporting Meredith and seeking public support from the Board of Regents for Meredith. At the time, Meredith was being considered for a position at the University of Central Florida.

St. Charles said he sees no conflict between signing the petition and serving on the grand jury investigating the events that led to the hiring of Nunn to oversee an external audit of some university accounts, including food services and many accounts under Meredith's control.

"We're on a fact-finding mission. We just want to listen to what any of

them has to tell us," St. Charles said.

The hiring of Nunn prompted lawsuit by regents Steve Catron and Bobby Bartley, who also have asked Warren Circuit Judge Thomas Lewis to issue an injunction barring Nunn from beginning work on the audit until the lawsuit is resolved. Lewis was expected to rule on the injunction last week, but has yet to make a decision.

Lewis said the delay is because of the amount of material that must be reviewed in the case and so a decision can be fair to both sides.

The grand jury listened to nine hours of testimony Wednesday. Catron, Iracane and Mrs. Judd testified. Bartley and university attorney A. Franklin Berry will give their testimony next week.

Meredith's letters refute complaint over caterer

WKU board charged he mishandled probe

By CYNTHIA CROSSLEY
Staff Writer

BOWLING GREEN, Ky. — With memos and letters from 1990, the attorney for Western Kentucky University President Thomas Meredith yesterday further challenged two regents' claims that Meredith mishandled an investigation into a private, for-profit campus catering firm.

The second barrage from Bowling Green attorney Charles English Sr. addressed claims made in a booklet given to a Warren County grand jury Wednesday by regent Chairman Joseph Iracane of Owensboro and in a statement issued by Vice-Chairwoman Patsy Judd. In short, the two claim that Meredith failed to inform regents of a special investigation into the catering situation and that he failed to take action when that investigation "revealed improprieties," according to Judd's statement.

On Wednesday, English gave reporters copies of the minutes of an April 26, 1990, regents meeting that also countered Judd's and Iracane's claims of mishandling.

Meredith's office said he was out of town.

Iracane and Judd declined to comment yesterday, and Guthrie True, a Frankfort attorney who accompanied them to Bowling Green Wednesday, could not be reached for comment.

English also released an audio tape made by Western's public radio station, WKYU, at the regents' April 26, 1990, meeting. On the tape, Meredith told the board: "You also have in your packet the audit report that I talked to you about and it was in the news concerning Classic Katering, and I've discussed that with you individually. You have a copy of that report for your reading."

Meredith made the comment during his scheduled "President's Report" to the board. Classic Katering is the private catering service alleged to have been operating on campus in 1988 and 1989.

English also released a partial copy of a May 7, 1990, memo Meredith sent to the regents that says: "Classic Katering — I hope by now that you are comfortable with the actions I have taken regarding Classic Katering. You have a copy of the audit report. I appreciate your support during this highly publicized time."

English also released letters that Meredith and former state Auditor Bob Babbage exchanged in April and May of 1990.

The first letter, from Babbage, refers to an April 16, 1990, conversation in which Meredith talked to Babbage about "the food service." Babbage's letter says: "It appears that you have handled the problem very adequately. As you suggested, we will review the special audit which examined the

Meredith's letters refute complaint

Continued from Page B 1

situation."

Meredith wrote to Babbage two days later. In that letter, he said he was enclosing a copy of "an audit that I ordered regarding Western Kentucky University Food Services and its relationship to a private catering service known as Classic Katering."

"Meredith's letter also says: 'I have made sure that Classic Katering is no longer associated with Western Kentucky University in even the most remote way. It is my understanding that it has closed its operation. The two individuals associated with Classic Katering, who work for Western, and the Director of Food Services for Western, have all received official letters of reprimand from me. Copies of the letters have been placed in their personnel files.'"

(A Classic Katering Services is listed in the current Bowling Green telephone book at an off-campus address. Its ad in the Yellow Pages lists Susan Locke, one of the Western employees affiliated with the on-campus operation, as one of two people operating it.)

"I consider this matter to be closed at Western," the letter continues. "No further action has been taken by me since I did not detect criminal intent on the part of any individuals involved. It was simply a matter of poor judgment."

"If you believe that we should take any further action, please contact me at your convenience."

On May 16, 1990, Babbage wrote to Meredith: "Having reviewed the special audit ... at your request

concerning the food service questions, we are satisfied that every effort has been made to resolve the situation. We commend your resolution of the questions involved and concur with your decisions."

Babbage could not be reached for comment last night.

English said the information he released was also intended to refute documents from Russ Cornelius, former internal auditor for Western, that are included in the booklet given to the grand jury. English said two memos Cornelius sent in November 1989 "insinuate ... that the state auditor was excluded from the process."

According to the memos, Cornelius recommended to Meredith on Nov. 1, 1989, "that the State Auditor's Office be asked to make a full investigation of the Food Service Department for the past few years." That memo concludes with Cornelius saying "if a full investigation is not performed, I do not want to be a part of any cover-up and jeopardize my integrity and my career."

Cornelius, who has declined several requests for interviews, abruptly announced his retirement in February 1990. The booklet includes a March 1989 memo from Cornelius in which he said that he didn't plan to retire for five more years.

Judge rules Nunn illegally employed

By EVANS DONNELL
The Daily News

Former Gov. Louie B. Nunn is illegally employed at Western Kentucky University, Warren Circuit Judge Thomas Lewis ruled today.

Lewis also issued a permanent injunction requiring the board to follow personal services contract procedures when hiring a special counsel or other employee. The judgment is final, but it can be appealed, according to Lewis.

Nunn was hired by the board Jan. 17 as special counsel and hired again for the same position Jan. 28. The hiring drew a lawsuit from regents Steve Catron and Bobby Bartley, who contended Nunn was hired against state law and against the board's by-laws.

Nunn was hired Jan. 30 to oversee an audit of some university accounts, many of which are controlled by President Thomas Meredith.

Lewis ruled that Board of Regents Chairman Joe Iracane was not in contempt of court for the board's hiring of Nunn on Jan. 28 and Jan. 30 after a temporary injunction was issued Jan. 23 by Lewis.

Bowling Green attorney John David Cole had asked Lewis to find Iracane in

contempt. Cole represented Catron and Bartley.

Lewis said his ruling did not prevent the board from proceeding with the audit and encouraged it to do so immediately.

"I issued a permanent injunction to tell them to follow the law," Lewis said.

"We are certainly pleased with the ruling of Judge Lewis. His ruling is in conformity with the evidence and applicable law. I am particularly pleased that Judge Lewis made a clear distinction in the relationship of Louie Nunn, the Board of Regents and the audit," Cole said.

Catron and Bartley have maintained they are for the audit, but that the governor must approve of the hiring of an attorney and that personal service contracts must also be reviewed by the attorney general.

Lewis said the board needed to follow personal service contract procedures and failed to do so.

"I am very gratified that Judge Lewis supported the position taken by Bobby Bartley and myself. The ruling has made it clear that the letter of the law must be followed by the board when there's hiring

Continued Back Page
Column 4, This Section

NUNN

of personnel for the audit. Right now, there's a real question as to whether that has occurred," Catron said.

Board Vice Chairwoman Patsy Judd declined comment. Other regents were unavailable for comment.

Cole also said he hoped the Board of Regents would accept the judge's ruling and that no further litigation would be necessary. He said the lawsuit accomplished what his clients intended.

"Not having seen the judgment, it's difficult to say anything at this time. We'll be reviewing it and talking with our clients about what they want to do. Since the audit has been approved, there may be a question as to whether anything else needs to be done," said Guthrie True, an attorney representing the

"(Fairness) is all in the world you can ask for from a judge. We certainly understand that he's got a lot of other things on his plate beside this," True said.

Lewis said Thursday that his decision had been delayed partially because his caseload this month was heavy.

"I had to recess a trial just to be

able to hear those motions," Lewis said.

A Warren County grand jury heard testimony from three regents Wednesday concerning Nunn's hiring. The grand jury will continue its investigation next week.

(Robyn L. Minor and Steve Chaplin of the Daily News contributed to this article.)