

Campus Community,

Today, the Wisconsin Department of Justice (DOJ) – by the request of the Board of Regents and the University of Wisconsin System – filed a civil lawsuit against former UW Oshkosh Chancellor Richard Wells and former Vice Chancellor of Administrative Services Thomas Sonleitner. Wells and Sonleitner are being sued for improper financial transactions that occurred during 2010-2014 related to five UW Oshkosh Foundation real estate projects.

I have also terminated the Vice Chancellor for University Advancement and UW Oshkosh Foundation President Arthur Rathjen, and put another UWO employee on administrative leave. These employees were involved in the Foundation's administration when the above financial transactions occurred.

The DOJ is still working on this investigation, but I want to provide the campus community as complete a summary as I am able to at this time.

Between 2010-2014, while Wells and Sonleitner were in leadership roles at UW Oshkosh, the UW Oshkosh Foundation participated in the renovation of the downtown Oshkosh Best Western Waterfront Hotel and the Oshkosh Sports Complex. The Foundation also constructed two biodigesters and the Alumni Welcome and Conference Center. The Foundation is an independent 501(c)(3) non-profit entity.

In April 2016, I brought to the attention of UW System President Raymond Cross potentially inappropriate transactions between UWO and the Foundation. UW System staff immediately began reviewing financial documents on all recent UWO Foundation projects. In late April, the UW System review identified documents signed by Wells and Sonleitner that were unlawful. I placed Sonleitner on paid administrative leave on May 11, 2016, while the review was taking place (Sonleitner subsequently retired on May 30).

On June 14, 2016, the Board hired retired Dane County Circuit Court Judge Patrick Fiedler to independently review the real estate projects. On Aug. 10, Judge Fiedler completed his review and provided his report to the Board of Regents. The Fiedler report focused primarily on the issuance of unlawful loan guarantees but indicated that other financial transactions should also be examined. Judge Fiedler's independent report prompted the Board of Regents and UW System to request DOJ's assistance in conducting a further, more detailed, investigation of the financial transactions executed by Wells and Sonleitner.

According to the DOJ complaint filed today, Wells and Sonnleitner made illegal financial transfers from UW Oshkosh to the UWO Foundation related to the five real estate projects noted above. Wells was Sonnleitner's supervisor at the time, and neither administrator properly recorded the transfers in UW Oshkosh accounting records. The UWO Foundation was established to provide support to the University, and funding should have flowed only from the Foundation to UW Oshkosh and not the other way around.

In addition, Wells and Sonnleitner executed illegal guarantees pledging UW Oshkosh's financial support for the Foundation's bank loans related to the projects. The guarantees asserted that UW Oshkosh would make debt payments for the UWO Foundation if the Foundation could not meet its financial obligations. The Wisconsin Constitution and UW System policies do not allow a public entity to support a private organization.

On behalf of your leadership team, I want to apologize for what has transpired. It is unacceptable to violate the public trust and to act without regard for ethics and the law. We must be ethical, accountable and transparent in our service to students and the citizens of Wisconsin. To that end, I will take immediate action to ensure this type of activity does not happen again on our campus.

While UW System works to strengthen requirements related to financial transactions at all UW campuses, I am moving forward with a new position on our campus that will focus on financial compliance. This position will be located at UW Oshkosh, but it will be accountable to UW System. Beyond providing additional scrutiny of any roles with financial responsibility on campus, this position will also create a venue for guidance and accountability and provide an office for staff to report concerns without fear of retribution.

We must continue cultivating an environment in which ethical leadership thrives and questionable actions are brought to light. I believe additional leadership and ethics training, paired with additional compliance oversight, will prevent similar issues from recurring in the future.

We take pride in the strength of our reputation at UW Oshkosh. While Wells and Sonnleitner were long-serving members of our campus community, they broke a sacred trust. I hope our citizens recognize that this was isolated behavior and it is not indicative of how we run our institution. We will continue to serve our students with integrity and move forward together.

Thank you,
Chancellor Andy Leavitt

Office of the Chancellor | University of Wisconsin Oshkosh

This email was sent by the University of Wisconsin Oshkosh Office of the Chancellor, 800 Algoma Blvd., Oshkosh, WI 54901.