



December 22, 2016

Clint Schmidt
Director of the Conflict of Interest Program
Pennsylvania State University
The 330 Building, Suite 205
University Park, PA 16802

Dear Director Schmidt,

My name is Evlondo Cooper, and I'm a Senior Fellow at Checks and Balances Project. We're a public watchdog blog focused on bringing greater accountability to government officials, corporate managers and lobbyists on behalf of our readers.

As you know, Checks and Balances Project submitted an ethics referral on December 8 requesting your office investigate the apparent conflict between the private consulting practice of Professor John W. O'Neill, Director of the Center for Hospitality Real Estate Strategy, and the following University ethics policies:

- [Policy HR80 PRIVATE CONSULTING PRACTICE](#)
- [Policy RP06 DISCLOSURE AND MANAGEMENT OF SIGNIFICANT FINANCIAL INTERESTS](#)
- [Policy HR91 CONFLICT OF INTEREST](#)

Our reporting indicates that Professor O'Neill had no personal website or contact information for his private clients to communicate with him until he listed a Gmail address on the [International Society of Hospitality Consultants \(ISHC\) website](#) after we began looking into these issues.

The University policy governing private consulting practice seems very clear. As Policy HR80 notes:

"... private consulting may create the potential for or perceptions of a conflict of interest between the faculty's financial interests created by the consulting and his/her related Penn State research."

In addition:

"The name of the University is not in any way to be connected with the service rendered or the results obtained. The faculty member must make it clear that his or her consulting work is a personal matter."

Although this seems like an obvious violation to us, perhaps there are subtleties or exemptions that we and the public are not currently privy.

We are encouraged to learn from the *Centre Daily Times*' [Sunday story](#) that the University appreciated us bringing the ethics questions to your office's attention, which seems like good progress toward a better understanding of the situation.

I'm writing to help our readers better understand the next steps in this process, given there are several ethics rules and several potential oversight bodies that could be involved. With that in mind, could you answer the following questions:

1. How will the public know your office is investigating the ethics complaint against Professor O'Neill?
2. Penn States' "Procedures for Handling Alleged Noncompliance" states:

"When alleged noncompliance comes to the attention of COI staff, the staff will review the information to determine whether it is valid. If it is valid, then COI staff will undertake an inquiry and determine if the alleged noncompliance appears to be serious or continuing."

What are the standards for your office determining "serious" and "continuing" ethics problems?

3. Per your website, the Conflicts of Interest Program is charged "to review and manage all potential financial conflicts of interest in a manner that is consistent throughout the University."

Does your office only investigate potential violations of Penn State Policy RP06, Disclosure and Management of Significant Financial Interests, or does it also investigate potential violations of other ethics standards?

4. If there are other oversight bodies involved, which would handle potential violations HR91, Conflict of Interest, and Policy HR80, Private Consulting Practice?
5. When is the next meeting of the Individual Conflict of Interest Committee (COIC)?
6. When and how will the outcome of your investigation be released to the public?

I'm also wondering if you might be able to add to any investigation the question raised by Professor O'Neill's unequivocal assertion to the *Centre Daily Times* that he received authorization to run his private consulting practice from the University. To quote him, "I make

certain to follow Penn State's compliance policies.... I talked and met with several Penn State administrators to be sure that's the case with this project too."

Despite Professor O'Neill's claim, we have unsuccessfully sought from both him and Dean Crouter documentation affirming that Professor O'Neill's statement in the article is, in fact, accurate.

We hope you will reply quickly so we can provide our readers with a comprehensive understanding of your investigative process and direct our referral to any other relevant Penn State oversight or governing bodies.

Thank you for your attention to this matter.

Please contact me at evlondo@checksandbalancesproject.org or call me 504-521-7440.

Regards,

A handwritten signature in black ink, appearing to read 'Evlondo Cooper', written in a cursive style.

Evlondo Cooper
Senior Fellow
Checks and Balances Project