**Some Background:**

In 2005, Michael Song (a Marketing Professor who publishes on product innovation) struck a deal with several prominent figures in the KC community, including the Blochs, to make UMKC, KC, and the Bloch School into an international center of entrepreneurship. [You can verify this with reporters from the local outlets]

He then hired his then-spouse (Lisa Song/ Zhao), his mentor (Mark Parry), his other mentor (John Norton), his new spouse, the doctoral student (Sun Li) of his friend (Mike Peng), and the doctoral student (Ishrat Ali) of his other friend (Sara Sarasvathy). In turn, they also hired friends, for example, John Norton hiring his own spouse. [You can verify this in the employment records, co-authorships, emails, contracts, and so on; and you can verify that such hiring violates Missouri anti-nepotism laws, and the process of some of these hires violates State standards] Holding a majority of the votes in the department, Song could pass any items he desired, including the redundant capstone course – ENT460, and hire and promote whomever he wished, and reward whomever he wished with raises, lucrative off-load teaching (e.g., in exec ed), and low teaching loads. [You can verify the significantly higher raises and lower teaching loads to Song and his friends in the employment records]

Song had the Chancellor’s blessing. The Vice-Provost said, on record, that “Tom [Bloch] told Leo [Morton] to make Michael [Song] happy, and he did”. Even though UMKC is a public institution, where taxpayer and student tuition dollars are a magnitude higher than Bloch donations, the Blochs have enjoyed (and some would say abused) a significantly disproportionate influence on the School and the University. For example, the Blochs heavily influence the hiring of the past two Deans – Teng-Kee Tan (Song’s friend from NTU and UW), and David Donnelly (who was not even in the running for Dean initially). The Blochs also heavily influence the structure and form of the new MBA program. [Just for reference, at no other public university does any donor have any influence on hiring and on academic programs; why here? This may also explain why the new Provost has tenure in the Bloch School?]

Many forms of evidence of the Chancellor enabling Song exist, from fast-tracking a doctoral program to approving the $80k raise for Teng-Kee in a year when everyone else’s salaries were frozen, to giving Song a reserved parking spot for his high ranking as an academic, to dismissing grievances filed against Song, to his very peculiar role in my promotion process. The Chancellor is responsible for oversight; he must be held accountable not only for the academic frauds that led to the rankings debacles but also for the financial frauds that increased the School’s deficit by $9m in 5 years. He knew what Song and Tan were doing. He went on many of the trips with them to Singapore and China; trips that produced nothing of value to the School that has been proven (although asked for multiple times).

After I had warned Donnelly and Morton and others of the rankings issue and other issues (including the mistreatment of doctoral students), they simply failed to act. That led to the three initial KC Star articles – one on the Princeton Review rankings, one on the academic fraud by Song, Zhao and Parry regarding the misleading jobs numbers (that was used to influence donors), and one on the JPIM number-one worldwide rankings. That spurred the Governor to action. That made the Curators request an audit by PwC (PricewaterhouseCoopers – our in-house auditors). That report is publically available and describes Donnelly and Hornsby providing false numbers to the Princeton Review, who then retracted the 2014 rankings. UMKC then pre-emptively retracted the previous 3 years’ rankings (where the numbers were provided by Song and Norton). Song and Norton then resigned, but to glowing press releases.

The COACHE survey also provides objective proof that the administration in general, and specifically at the Bloch School, were not doing an adequate job. Certainly not one worth a $500k salary (that Tan was ‘earning’, although this was listed as a part-time job in his own CV).

When the new Dean search began, at the request of the acting Dean (Donnelly, given Tan was with health concerns – although he remained paid over $400k salary, apparently not going on sick leave, but instead writing two books and consulting in Asia!) a partial financial audit by PwC was requested. The report has been made available. It details some of the reasons why the deficit increased by $9m in 5 years – financial frauds, including paying personally-tied consultants $40k, and Tan’s handler (a former NTU student of his) $360k over 2+ years! The added deficit had nothing to do with ‘growth’ in the School given, for example, tenure-track Faculty count actually decreased over that time. Again, this lack of financial oversight is inexcusable at a public institution, but that is the responsibility of the Chancellor. [Evidence of many of these apparent frauds exist, and the dozens of receipts in foreign languages submitted are in the record, and some are referred to in the partial PwC audit] Strangely, no follow-up investigations have ever occurred, no claw-backs, nothing. That decision is in the hands of the Chancellor – some one who does not hesitate to spend taxpayer money to investigate and harass a whistleblower but does very much hesitate to investigate friends of the Blochs.

This Chancellor, and many other Administrators at UMKC, simply are not held accountable to anyone. Of course, neither are the grievance committee boards or many other supposedly Faculty high-level representatives. It is time to hold them accountable.

Let me close by correcting a few misleading items I heard in this past meeting, just to show you how insidious such behavior has become:

1. Peggy seems to have been misinformed on how often the Administration will look at someone’s emails or copy their hard-drives. My hard-drive was copied and my emails looked at when the PwC did its investigation of the KC Star articles, even though I was a whistleblower and not a perpetrator. Strangely, her report did not mention that.
2. The Provost seems to have left off of her list of activities her investigation of me at the Chancellor’s request, coming on the heels of my request to the Interim President for the Chancellor’s termination, and of my exposing of the Provost as not meeting the Bloch School standards for tenure. [Of course, neither did the past Dean, who also had zero academic publications in business.] Again, strange that she left this item off of her list.

So, I strongly urge the FACULTY SENATE to do its job – as our representatives in this shared governance public institution – and call for the immediate investigation of all of the illegal activities alleged, and that it be done by an independent party (outside of the influence of the Blochs) with subpoena power, with an ability to terminate any guilty individual involved (including those in oversight positions), including the Chancellor, and even to recommend further prosecution by relevant parties (State or Federal agencies). It would be useful to ‘get in front’ of these issues. It would be useful to stop the harms to our Faculty and our Students that have been done from continuing to occur. The truth is bound to come out, so it would be useful to act to mitigate the losses as soon as possible.

**Thank you.**

**PwC Audit**:

The School has had an operational deficit throughout the entire scope period of the audit. At the end of Fiscal Year 2014 the operational deficit totaled $10,594,594, up from $1,510,343 in 2009. The School, along with campus leadership has made historical decisions to invest in and build the Bloch School of Management’s national and global brand. These decisions are a primary factor in the increase in School expenditures and resulting deficit… This deficit is in the operational fund and does not reflect gifts or endowments or other funds.

… there were instances where the key control for reviewing and approving departmental expenditures was overridden by management. This type of override is an indicator of an improper “tone at the top” on internal controls. This created the opportunity for inappropriate or unauthorized expenses to be incurred and charged to general funds as well as private gift and endowment sources.

… Five expense reimbursements (totaling $39,160) occurring during Fiscal Year 2012 related to research services performed by consultants were paid personally and reimbursed, as opposed to establishing a contract with the third party and paying via Non-PO voucher. IA was unable to validate the legitimacy of these transactions based on information available in University records. The consultants did not have a current contract with the School and the preferred method of purchase guidelines were not followed.

… The School also contracts with an external consultant to recruit students and develop relationships in Asia. UMKC paid the consultant approximately $360,000 during Fiscal Years 2012 – 2014 for services related to recruitment of students and the furthering of UMKC’s relationships with international Universities.

**Misleading 512 Jobs Report**:

<http://www.kansascity.com/news/local/article811481.html#storylink=cpy>

Published number in JPIM 512 jobs created by each entrepreneur in their lifetime; actual number admitted to 9. Mark Parry, a native English speaker, declined to comment through his lawyer. Now the MBA Director, given a $60,000 raise last year alone.

**March 5, 2015 – JPIM retracts rankings article**

<http://poetsandquants.com/2015/03/05/bloch-scandal-journal-backs-away-from-ranking/>

**Song’s $1m Chinese Trucking Consulting Project using UMKC resources**:

-doctoral student blows whistle to Vice Provost

-nephew of CEO accepted into doctoral program as partial *quid pro quo* against recommendations of doctoral committee and without meeting standards

**PwC Report**:

In our interview with the IEI’s Managing Director [Hornsby] on December 4, 2014, he informed us of the following:

Any student taking a class in entrepreneurship was included in both the percentages of formally enrolled entrepreneurship program students as well as percentage of students taking an entrepreneurship related course. He did not agree with this methodology, but the former IEI Director [Song] informed him that this was how they were to present the information to the PRB.

In our interview with the Bloch School Dean [Donnelly] on December 4, 2014, he informed us of the following:

In relation to the percentage of students formally enrolled in the entrepreneurship program being the same as the percentage of students being enrolled in an entrepreneurship related class from 2012 to 2014, he said, “There’s no way I can say any of that makes sense”.

In our interview with Regnier Institute’s Interim Department Chair [Jeff Hornsby] on December 4, 2014, he informed us of the following:

He was responsible for filling out the 2014 PRB form and received approval from the Bloch School Dean [David Donnelly] prior to its submission. The Bloch School Dean informed him that it was acceptable to include e-scholars related information in his submissions.

PR retracted the 2014 Rankings based on these misrepresentations!

**Kauffman Report**





PLEASE note that many of the numbers reported to the Kauffman Foundation in this document are incorrect. They were also used in the PR reports and the USASBE reports – i.e., the reports that had misinformation described in the PwC reports; where the Bloch School voted in the majority to endorse a rescinding of ALL awards and rankings since Song began there in 2005 to 2015.

In other words, the $12.5m grant was earned by misrepresenting facts to the donor, and there were many parties who knew about this.

I have spoken to the Kauffman Foundation General Counsel about these issues.