

The State of Texas
House of Representatives



P.O. Box 2910
Austin, Texas 78768
Tel: 512-463-0880
1-800-734-9515
Fax: 512-463-2188

Representing
Hunt, Hopkins, and
Van Zandt Counties

Dan Flynn
State Representative • District 2

August 11, 2014

****CONFIDENTIAL: TEXAS HOUSE REPUBLICAN CAUCUS MEMBERS ONLY****

Texas House Republican Caucus
PO Box 13305
Austin, TX 78711

Republican Caucus Members:

As you are aware the media is often the worst source of accurate information concerning sensitive issues. We cannot deny the obvious level of speculation and attention the House Select Committee on Transparency in State Agency Operations has received over the past year regarding the committee's ongoing investigation into the allegations surrounding University of Texas System Regent Wallace Hall. It is important to the Committee that at the end of the day fair minded and truth seeking individuals will feel we did a thorough and fair investigation. For these reasons I wish to update, clarify and inform the members of our caucus.

With speculation swirling, I have been impressed by the vast amount of expert analysis provided by various blog pundits who seek to assume fact, create truth and tout their understanding of state law and statute as it pertains to this historic, unprecedented, investigation. While the self-interested experts and blogging elite have provided amusing cynicism with their expert analysis of failed transparency and corruption, I must say that for myself and members of this committee, nothing about these proceedings have been amusing and we have fought hard to maintain the highest of legal and ethical standards.

It should be noted that this committee was formed well before this investigation began. Prior to Regent Hall being a household name, the committee was focused on passing two pieces of significant bipartisan transparency legislation, which I authored, as well as investigating issues surrounding CPRIT and other agency discrepancies including executive salaries and contracting. It was not formed to investigate Wallace Hall.

It is true that Regent Hall has pointed to schemes to forgive loans at the UT Law School and pushed for an external investigation into admission practices. The committee investigated and supported a full vetting of these issues and we did so in a transparent fashion, so as to offer full disclosure to the citizens of Texas.

In those cases, there is no denying that Regent Hall was attempting to fulfill his fiduciary responsibility to the students and staff of the University. However, his disruptive, flippant and defiant behavior towards University officials and members of the legislature is absolutely inexcusable for someone in his position.

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If Regent Hall's efforts were truly meant to protect the integrity and interests of the University, why then did he fail to turn over his findings to proper legal authority? He also refused to participate in the process, cooperate with officials, and refused the multiple opportunities presented for him to justify his actions.

It should be noted that despite reports to the contrary, Regent Hall was offered a subpoena to testify but refused because the request failed to meet his allotted time frame for which he wanted this 'nuisance' handled. These demands were expressly stated by his lawyers in addition to various ultimatum demands that would have required the committee to violate posting rules, as well as subpoena related meeting rules and laws. In the name of integrity, transparency and in respect for the legislative process, the committee voted to retract the subpoena after he refused to be compliant.

Regent Hall was given every opportunity to submit testimony, witness lists, evidence and any other information independent of the subpoena process to make his case. He chose not to, and to this day the committee has never received any indication as to why he refused, despite our assurance that anything he submitted would be publically shared and given full consideration.

However, the blame cannot be placed solely on Regent Hall. The complete failure of the University of Texas System to handle this personnel matter internally is equally as troubling as the rogue actions of Regent Hall himself. Where were the Regent Chairman and Chancellor when these allegations began to surface?

The committee has provided Regent Hall a full and complete investigation. The results are both public and alarming. I encourage each of you to review the testimony, reports, and exhibits highlighting the committee's findings. The investigation has been costly in both time and resources, but conducted in a fair and fully transparent light. The allegations made of Regent Hall were historic. Never in Texas history has an appointed Regent been under investigation, facing possible impeachment proceedings. All the necessary steps, counsel, and resources were needed to ensure the accusations made were fully vetted, the privacy of exposed students remained protected, and most importantly the integrity of the House kept intact.

As it stands, potential criminal violations have been referred to the Travis County District Attorney's office for review. It is understood the committee should be receiving feedback soon.

As the public sits and waits, there is time to absorb the allegations, discover the allegiances and witness first-hand the back channeling efforts of those intent on destroying committee members who do not agree with them. Some individuals opposed to the investigation supported the distribution of mailers into committee member's districts, while maintaining efforts via social media and the press to discredit the Texas House of Representatives in an attempt to disrupt the process by misrepresenting our efforts.

The silver lining to these challenges is that change has occurred. The Governors appointment office has changed their process, as have our Senate colleagues restructured their confirmation process. The University of Texas System has also begun to change its processes. The committee will continue our oversight of this process, despite suggestions by the misinformed that the Texas House does not have the

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jurisdiction. On the contrary, the Texas House is required by the voters of Texas to investigate and make changes, legislatively or through the appropriations process, as needed and required by Texas state law. I am confident our body will not tolerate repeated interference in our process.

It is my hope that the committee can conclude its efforts and investigation of Regent Hall in the near future. There are other pressing issues this committee was assigned to address during this interim period. I am confident the final charges will be appropriate, prudent, and encompassing of the facts and degree of impact his actions had on an entire University, community, and appointment process.

I am available to speak with any caucus member wishing to clarify and discuss this process further.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Flynn", followed by a horizontal line.

Dan Flynn

Co-Chairman, Select Committee on Transparency in State Agency Operations