MOTION OF ADMONISHMENT AND CENSURE OF WALLACE L. HALL JR. AND RELATED FINDINGS

The House Select Committee on Transparency in State Agency Operations (the committee), pursuant to its investigative and oversight authority and its duty to monitor the conduct of individuals appointed to offices of the executive branch of state government, is conducting an extensive formal investigation of allegations of misconduct committed by Wallace L. Hall Jr. while a nominee for and as a member of the Board of Regents of The University of Texas System (the Board).

The investigation conducted by the committee uncovered numerous wilful actions by Mr. Hall that constitute either misconduct, incompetency in the performance of official duties, or behavior unbefitting a nominee for and holder of a state office. The committee has previously found in the affirmative that grounds for impeachment exist.

At this time, the committee chooses to act by adopting this motion for admonishment and censure while holding, for now, in abeyance further proceedings, in part for our own reasons and also as we continue to monitor developments of other agencies e.g., the actions of the Travis County District Attorney’s office. However, the committee retains full jurisdiction and continuing oversight. The committee may impose future action, including the adoption of articles of impeachment which already may be before the committee. Further actions will be taken as warranted. We are mindful that Mr. Hall’s actions have been undeterred during this investigation. This temporary period
allows the Board, Mr. Hall, other individual regents, and Board
and System employees to alter, change, and improve their
conduct, and allows the committee by and through its co-chairs
and those appointed to monitor these proceedings to exercise
oversight and report these findings back to the full committee
and to make appropriate recommendations when necessary.

BACKGROUND

Institutions of higher education in the State of Texas are
a crown jewel of the state. The graduates of these schools have
shaped our economy and are leaders in their chosen fields, in
their communities and in our state and beyond. The state will
continue to excel and create abundant opportunities only if
these institutions continue to thrive.

Because of their importance, the operation of these
institutions has been overseen by two entities—the Texas
legislature and the board of regents for each institution. Since
the establishment of the first public institution of higher
education in 1876, both the legislature and the boards of
regents have shared these responsibilities. Thus, legislative
review of the operation of institutions of higher education in
this state (and of all other state agencies) is nothing new.

The University of Texas System (the System) is composed of
nine universities and six health science centers. It employs
over 87,000 people and educates 216,000 students a year. More
than one out of every 150 people in Texas either attend or work
for an institution within the System. The System is governed by
a board of regents, composed of nine voting members and one non-
voting student regent. Only the Board, acting as a Board, is
statutorily charged with the oversight of the System.¹ The role
of each regent, as a board member, is analogous to membership on
a corporate board. No individual board member may take binding
actions on behalf of the entire board. Each regent is appointed
to the Board by the Governor and confirmed by the Senate, but
the regents' duty is not to those who appointed them or
confirmed them, but only to the system's institutions and the
state.

In the spring of 2013, this committee attempted to explore
issues related to the Board, the System, and Mr. Hall concerning
not only conduct undertaken by Mr. Hall but also the Board's and
the System's interactions with the Cancer Prevention and
Research Institute of Texas (CPRIT) and the University of Texas
Law School Foundation. It has been suggested that the
legislative examination of executive branch appointees in this
matter is unprecedented. To be accurate, nothing could be
further from the truth. Executive branch appointees are
routinely examined by legislative committees. Legislative
committees often, by report or by strong words from the dais,
have suggested that executive branch appointees consider
alternative courses of action, alter their method of doing
business, or remove themselves either from the situation at hand
or from state service. Legislative disapproval of executive
branch appointees' actions has resulted in restructuring or
dissolution of agencies and their boards, reduced agency
appropriations or increased budgetary review, increased
oversight or audits, and, in some cases, the voluntary
resignation of one or more appointees.

Two recent examples stemming from the expression of
legislative disapproval include the resignation of a member of
the board of directors of The University of Texas Investment
Management Company (UTIMCO) following questioning by a Senate
committee and a vote of no confidence in the entire Board of
Directors of the former Texas Youth Commission by a joint House
and Senate committee. In all such cases, the legislature acts
for the sole purpose of ensuring that both the legislature and
the state agency in question continue to safeguard the assets of
our state.

For the last year, this committee has heard testimony,
reviewed evidence, and carefully considered additional
information provided to the committee by Mr. Hall’s attorney
related to the actions of Mr. Hall, the Board, and the System.
The committee engaged special counsel who gathered a number of
items of information and engaged in a lengthy and costly attempt
to retrieve documents from the System and the Board. The
committee received a report from its special counsel, which has
been made public. All those invited to testify before the
committee appeared, except for Mr. Hall.

While opting not to testify, Mr. Hall instead participated
vigorously in the committee’s proceedings through his private
counsel. Mr. Hall’s private counsel attended committee
proceedings and sent the committee several letters asserting Mr.
Hall’s positions and defending Mr. Hall’s decisions, which
included declining to appear before the committee, declining to 
provide the committee with a list of possible witnesses, 
declining to submit any documents to the committee, and untimely 
responses to the committee’s requests for documents and 
information. Mr. Hall (and the other members of Board) also 
received the assistance of hired outside counsel. In addition to 
private attorneys, Mr. Hall was represented by lawyers employed 
by the System, including the general counsel for the Board and 
the general counsel for the System. Mr. Hall was informed of all 
contacts between the committee and any portion of the System and 
Board. Mr. Hall requested from the Chancellor and was given 
access to the Board’s outside lawyer’s notes of witness 
interviews and was told in advance of the release of Board and 
System documents. In an act described as “unusual”, Mr. Hall 
contacted directly the general counsel of the System to have him 
remind a witness, on the eve of the witness’s testimony before 
the committee, that the witness was not allowed to discuss 
certain matters. Additionally, Mr. Hall was given the 
opportunity to review and edit letters and reports from the 
Chancellor addressed to this committee relating to this matter. 
Mr. Hall (and at least one other regent) caused the Chancellor 
to request that witnesses who testified before the committee 
review and, if appropriate, change or alter their testimony. 
Mr. Hall further appears to have suggested that personnel action 
was appropriate for those who failed to change their testimony. 
Interestingly, Mr. Hall actually has as much, if not more, 
information about the matters before this committee, because he
controls it either personally or through his role as regent
supervising the actions of his government lawyers and outside
counsel, than the committee does.

While the committee could pursue additional leads and
information, it has determined it has sufficient information at
this time upon which to base an assessment of Mr. Hall’s
conduct.

FINDINGS

A. At Times During the Events under Investigation, The
University of Texas Board of Regents Suffered a Loss
of Institutional Control

In testimony provided by Chancellor Cigarroa, the
Chancellor described an operational change to the workings of
the Board. The Chancellor indicated that a new policy was
implemented that allows any regent to request any information
from any institution.\textsuperscript{vi} This was a significant shift from prior
Board policy.\textsuperscript{vii} Although the Chancellor, as the CEO of the
System, might try to discuss the scope of a request with a
regent and might suggest the regent achieve the same results in
a different manner (e.g. suggest a compliance audit rather than
a regent request), the Chancellor was powerless to in any way
limit or modify a clearly burdensome or costly regent request.
In fact, the Board chose to impose little to no internal
“circuit breaker” or oversight on information requests. The
Board was not notified of an individual regent’s requests, the
cost to the System of the requests, the effect of the requests
on System’s operations, or the dangers to the System from
operating in this manner, including through the exposure of
confidential information or information that a regent is not allowed to view. It is important to note that System and component institutions' employees raised red warning flags regarding this method of providing information to the Board.iii Certainly, Mr. Hall, the Chancellor, and both the general counsel to the Board and the general counsel to the System were aware of these concerns. Further, each was aware that errors had occurred in the production of documents. Emails produced to the committee indicated that each became at least accepting of their role in enabling these actions.ix

Two other events by individual regents also demonstrate that operational control of the Board had significantly eroded. First, a regent unilaterally decided to secretly record an executive session of the Board. It is important to note that the Board is not composed of persons who do not understand the corporate world or the deliberative process. At the very least, such conduct was unauthorized and peculiar. At some point, knowledge of the recording was given to the then-chairman of the Board, other Board members, and the Board’s counsel.xi Although clearly responsive to a document request made by this committee, the Board’s lawyers failed to deliver the recording to this committee or even make its existence known until several months after the document request was to have been fulfilled. We are unaware of any action the Board took regarding this serious breach until after the existence of the recording was made public.

Finally, in spring 2013, two legislative requests for
information were submitted to the Board. After the documents had
been gathered and before they were submitted to the requesting
legislator, Mr. Hall requested, and was allowed by the Board's
general counsel, not only to review the documents but also to
change the designations of classes of information on some of the
documents. This method of handling the legislative requests is
another indication that by the spring of 2013, the Board had
allowed itself to become, in effect, nine individual Boards of
Regents, with each one acting as if individual regents were
authorized to implement changes in the System's day-to-day
operation while ignoring long-standing law and protocols. While
a majority of regents chose not to act as Mr. Hall did, the
remaining regents fully supported, were unaware of, or at least
chose to take no public action in response to Mr. Hall's unusual
acts. Institutional control was clearly diminished.

B. Regent Hall Breached his Duties to the Board of
Regents of The University of Texas System

Francie Fredrick, the general counsel for the Board of
Regents, in testimony before this committee outlined her
understanding of the duties of a regent:

Q: How is a regent’s duty defined?
A: The duty of the board is defined by statute, but the
common law defines the duty of any trustee or director as
involving two primary duties --
Q: Uh-huh.
A: -- the duty of care and the duty of loyalty. Some
people will add on a third duty, the duty of obedience, but
I think that's actually subsumed in the duty of care.
The duty of care requires a regent in this case to be
diligent in seeking information in making their judgments.
The duty of loyalty requires the regent to put the interest
of the University of Texas System ahead of all other
interests in making decisions on behalf of the board.
Q: In your opinion, what would constitute abuse of office
of by a regent?
A: Conflict of interest, failure to put the interests of
the University ahead of personal interests, and certainly
personal conduct unbefitting a regent. I mean, I know
we're not talking about that today, but if someone were to
be convicted of a felony or some other crime of that
nature, I think it would unfit them for the position.\textsuperscript{xii}

She further testified:

A: I think that Wallace Hall is a very principled man. I
think his heart is good. I think the distractions that
have occurred over the last several years are unfortunate
and are starting to detract from what is in the best
interest of the University of Texas System. And I think
that's the best answer I can give you.\textsuperscript{xiii}

Ms. Fredrick's testimony is that, at a minimum, the
distractions caused by Mr. Hall are unfortunate and are
detracting from the best interest of the System, a violation of
his duty of loyalty to the System. This is the most favorable
testimony that the committee heard regarding Mr. Hall's
performance of duties. Other persons testified that Mr. Hall
either violated standards of care for a regent or,
alternatively, his actions were grounds for impeachment.\textsuperscript{xiv} At
least one other regent characterized Hall's conduct as
"harassment" and "an abuse of power."\textsuperscript{xv}

The duties of a regent are set by law. At least three areas
of Texas statutes govern the discharge of a regent's duties.
Failure to comply with these laws would therefore constitute
"misconduct, malfeasance, or misfeasance" and would constitute a
breach of a regent's duty. First, Subchapter G, Chapter 51,
Education Code, sets forth broad statutory duties and
responsibilities for higher education governing boards such as
The University of Texas System Board of Regents. Section 51.352 of that subchapter provides, in pertinent part:

(a) It is the policy of this state that the governing boards of institutions of higher education, being composed of lay members, shall exercise the traditional and time-honored role for such boards as their role has evolved in the United States and shall constitute the keystone of the governance structure. In this regard each governing board:

(1) is expected to preserve institutional independence and to defend its right to manage its own affairs through its chosen administrators and employees;

(2) shall enhance the public image of each institution under its governance;

(3) shall interpret the community to the campus and interpret the campus to the community;

(4) shall nurture each institution under its governance to the end that each institution achieves its full potential within its role and mission; and

(5) shall insist on clarity of focus and mission of each institution under its governance.

Additional duties applicable specifically to The University of Texas System Board of Regents are contained in Chapter 65, Education Code.

Additionally, a number of criminal offenses regulate the performance of public officials such as a UT System regent, including the crimes associated with "abuse of office" in Chapter 39 of the Penal Code, but any criminal activity rising to the level of "abuse of office" would also be fairly described as "misconduct, malfeasance, or misfeasance" and constitute a breach of a regent's duty.

Finally, a regent is bound to comply with state and federal laws restricting the use or disclosure of the type of private and educational information a regent may have access to in the
course of his or her duties. The most notable and relevant of
these laws is the Family Educational Rights and Privacy Act of
1974, 20 U.S.C. § 1232g. FERPA protects personally identifiable
student information and prohibits the disclosure of the
information without permission of the student or a parent of a
student under 18 years old.

Following a review of the evidence, we find that there is
evidence that Mr. Hall violated the duties of care and loyalty
as described by General Counsel Fredrick and the standards of
care outlined by statute.

A non-exhaustive list of these violations of the Regent’s
fiduciary duty is set out below:

1. FERPA Violations

In 2013, Francie Fredrick, the general counsel of the
University Of Texas Board Of Regents, became aware that Mr. Hall
was in possession of two individual student records, at least
one of which is protected under federal privacy laws. Mr. Hall
told her that he had the documents.\textsuperscript{xvi} She determined that Mr.
Hall had no legitimate educational interest for holding those
documents.

Mr. Hall told Ms. Frederick that he wanted to bring those
documents to the office of the Attorney General. Again, she told
him that the documents contained FERPA protected information and
should not be produced.\textsuperscript{\text{xvii}} Mr. Hall nonetheless brought those
documents to the office of the Attorney General and also
forwarded them to his private attorney.\textsuperscript{\text{xviii}} Mr. Hall failed to
tell Ms. Fredrick of those actions at that time. Ms. Fredrick
eventually told Mr. Hall that she would need to retrieve the 
FERPA-protected documents from him. He said that he would 
destroy the documents, then told her for the first time that he 
had distributed the FERPA document to an attorney at the office 
of the Attorney General.\textsuperscript{xix} She arranged for the document to be 
retrieved and destroyed.\textsuperscript{xx}

In August 2013, Mr. Hall asked Ms. Fredrick to approve 
language in a draft letter to this committee prepared by Mr. 
Hall’s private lawyer. As Ms. Fredrick read the draft of the 
letter, it became clear that Mr. Hall had given a copy of the 
FERPA-protected information to his private lawyer and that he 
had failed to disclose that action or seek the return or the 
destruction of the documents, as requested by Ms. Fredrick.

At some point after Mr. Hall’s private lawyer sent a letter 
mentioning the FERPA-related material to the committee, Mr. 
Hall’s private lawyers returned the FERPA information to the 
System. The System undertook no investigation of the data breach 
nor was it ever discussed by the Board. In fact, Ms. Fredrick 
considered the data breach not significant.

Under the circumstances, Mr. Hall’s action can only be 
considered knowing, willing, and intentional. His System lawyer 
personally counseled him that the documents related to students 
of the System were protected under federal privacy laws and 
should not be possessed by him and could not be distributed to 
others. In determining that he should not possess the 
information, the System further made a determination that he had 
no legitimate educational interest in viewing the data.
After being told this, he ignored the Board counsel’s advice and distributed the FERPA-protected material to more than one third party. Moreover, he misled Ms. Fredrick by claiming to have destroyed the documents, when he instead allowed his private counsel to keep the document and use it in Mr. Hall’s private legal matters. Mr. Hall’s private counsel, over whom Mr. Hall had unquestionable authority, failed to return the protected information promptly when requested.

Students who attend an institution within The University of Texas System should not have to worry about their privacy rights being willfully violated by a member of the Board of Regents—no matter the reasoning of the regent. Mr. Hall’s actions in this regard were simply wrong and violated his regental duties.

2. Unauthorized Advocacy Before CASE

In 2012, an issue arose regarding the accounting and reporting of a gift valued at approximately $44 million made to The University of Texas at Austin in the course of a capital campaign. The University sought clarification of the accounting standards for the gift from the Council for the Advancement and Support of Education (CASE). In a nutshell, the University sought one interpretation of the CASE rules, which would have allowed the reporting of the gift, but Mr. Hall personally preferred another interpretation that would have disallowed the reporting of the gift. The Board as a whole did not take any official action at that time to support Mr. Hall’s individual views.
With the knowledge and consent of the System, the University undertook discussions with CASE regarding the appropriate method of accounting for the gift. The System Chancellor agreed that the University’s actions were not improper—"Any UT System institution may present an argument to CASE if it has a justification to do so . . . ."

Mr. Hall, acting independently, asked System personnel to brief him on the issues, and ultimately prepared to individually oppose the University’s arguments.

While regents may have broad authority to inform themselves of matters affecting the System and its components, there is no authority for an individual regent to personally undermine "[the] institutional independence" of UT Austin, to act in a manner that detracts from, rather than "enhances the public image" of, UT Austin, or to act in a manner that does not "nurture" UT Austin, in violation of the statutory obligations of a regent prescribed by the Education Code. Further, under The University of Texas System Regents’ own rules, an individual regent is prohibited from making public statements on "controversial matters" without advance Board approval. It is clear that the Board did not discuss, much less approve of, Mr. Hall’s actions until after Hall took the unusual step of flying to Washington D.C. to attend a previously-scheduled CASE meeting regarding the UT gift. He had arranged for the general counsel of the Board and another System employee to listen to the meeting by conference call. Mr. Hall’s actions at the meeting can best be described as shambolic. Rather than merely observing
to inform himself, he actively interjected himself into the
meeting as an opponent of the University's position,
interrupting and arguing with counsel for the University who was
presenting the institution's position. When the hearing
concluded with the University appearing to have achieved its
desired result, Mr. Hall followed the CASE executive conducting
the meeting to his office and pursued a private discussion with
him about the matter. After the meeting, Mr. Hall continued his
campaign by email, and asked that the University's attorneys who
represented the University before CASE be terminated without
pay.

Mr. Hall's actions—taking an unauthorized public position
on a controversial matter in direct conflict with the
institution's position and micromanaging the oversight and
potential dismissal of UT Austin's attorneys—is outside the
proper scope of regental conduct and exceeded the authority that
Mr. Hall alleges he was operating under. He failed to support
the institution as required by statute. Thus, Mr. Hall violated
his fiduciary duty as a regent.

3. Conduct inconsistent with standards demanded of others.

Mr. Hall has insisted that System employees and officers
perform each of many requested tasks with almost Prussian
efficiency. His emails threaten employment retaliation if his
wishes are not carried out nearly instantly. In a sense, Mr.
Hall's emails contain his own personal standard of what conduct
is appropriate for a System officer. But Mr. Hall does not meet
the high standards he expects of others.
a. Failure to provide or retrieve all documents in response to a public information request

In the spring of 2013, Mr. Hall caused an inquiry to be conducted regarding why certain documents were not provided in response to an open records request. The System devoted a number of resources to resolving the issue.

In the summer of 2013, Mr. Hall prepared meeting notes on his computer at a Board meeting. Within a short time, the System received a public information request for all Board members’ meeting notes. Mr. Hall falsely responded that he had no responsive documents. However, after the System responded to the requestor that it had no responsive documents, Regent Hall, in an unrelated matter, forwarded those very notes to a System employee to prove a point he was making at that time. Mr. Hall’s own email proved the responsive document’s existence and that he maintained it at the time the public information request had been made, but failed to provide it to a member of the public under Texas Public Information Act. Putting aside the clear statutory duty to provide such information, there is no indication that Mr. Hall showed the same level of concern for his failure to include responsive documents to an open records request as he shows for the System.

b. Failure to cooperate with an official investigation or provide requested documents

In June 2013, Mr. Hall met with the Attorney General’s office regarding its investigation of the University of Texas Law School Foundation. The Board of Regents had by official Board action asked the attorney general to undertake the
investigation. At this meeting, Mr. Hall provided the office of the Attorney General with FERPA-protected student information that he had been advised by the Board’s lawyer not to provide. At the conclusion of the meeting, the staff of the Attorney General asked for a sworn written statement for Mr. Hall’s concerns. Mr. Hall agreed to provide the statement.

Subsequently, Mr. Hall decided not to provide any such sworn statement. The Attorney General’s office repeatedly contacted Mr. Hall or his private lawyers, who initially responded that a lengthy sworn statement would be immediately forthcoming, to ascertain when and whether Mr. Hall might provide the sworn statement. Much later, Mr. Hall’s lawyers indicated that Mr. Hall would not provide a sworn statement unless it was maintained in confidence and not provided to the legislature. Ultimately, Mr. Hall’s attorney told the attorney general’s office that Mr. Hall had more pressing matters to attend to than providing a sworn statement for the investigation, despite the fact that every other regent had complied with the request. Again, there is no indication that Mr. Hall demonstrated the same level of cooperation for an investigation as was expected of others.

c. Failure to correct misstatements

In a letter provided to this committee, the Chancellor has provided “clarifications” to testimony by certain System employees. As has been previously discussed, the Chancellor was requested by Mr. Hall and others to have some witnesses change their testimony; the Chancellor’s “clarifications” were offered
when the other witnesses opted to stand by their testimony. Mr. Hall reviewed the Chancellor’s letter before it was delivered to the committee. Two items have caught the committee’s attention. First, the Chancellor attempts to mitigate Mr. Hall’s inappropriate handling of FERPA documents by overlooking the fact that Mr. Hall was warned not to distribute the student information, that Mr. Hall failed to identify all the parties to whom he distributed the information, and that Mr. Hall intentionally kept the information and let his private lawyer use it months after being told that it was federally protected.

Second, the letter attempts to challenge the basis of testimony provided by a component employee, even though it is clear from emails sent after the letter was delivered that the Chancellor had no idea how the information was determined or even if an error had, in fact, been made. In short, Mr. Hall’s demand that misstatements be corrected appears to apply only to corrections that would benefit him.

In advocating for “clarifications” to witness testimony, Mr. Hall disregarded statements by other system employees supporting the allegedly inaccurate testimony. For example, Mr. Hall challenged a portion of the testimony of University President Powers, and continued to dispute that testimony even after the System’s vice chancellor for external relations sent an email acknowledging that the testimony was correct.

Mr. Hall also made demonstrably false representations regarding FERPA-protected information in his possession. After being told by the Board’s general counsel that he could not
disclose a particular FERPA-protected document to the attorney
general, Mr. Hall said that he had destroyed the document.
Instead, he retained possession of the document and shared it
with his private attorney, which the Board's general counsel and
others at the System learned of at a later time. It is unclear
what, if any, action was taken to address that breach when the
System learned of it.

At best, Mr. Hall's misrepresentations and shocking lack of
candor reflect poorly on all who participated in providing the
information to the legislative committee.

A. Mr. Hall's Appointment Application

It is clear that Mr. Hall's application for appointment to
The University of Texas System Board of Regents was incomplete.
He failed to convey information that he was aware of regarding
personal litigation with which he was involved. Mr. Hall's
explanation is that the Governor's office told him it was
acceptable to omit the information, but testimony by the
Governor's office does not verify that allegation.

In any event, it is clear that the circumstances
surrounding Mr. Hall's application did contribute to the change
in process of the Senate in reviewing appointees—each appointee
must now file information on a separate form designated by the
Senate. At this time, our inquiry regarding defects in Mr.
Hall's application must halt because the Governor's office does
not adequately track what items it advises are not required on
appointee applications. However, it merits consideration whether
a better method of recordkeeping might be more appropriate in dealing with appointees’ applications in the future.

CONCLUSION

Chairman Foster recently made a pointed observation that is central to our inquiry—there is a fundamental difference in the understanding of the role of a regent and the conduct of a regent between Mr. Hall and others. The committee today at length sets out its understanding that Mr. Hall’s actions have crossed the line from remaining informed and engaged to violating his regental and fiduciary duties. The committee wants to be clear that it expects and encourages regents (and all members of the governing boards of state institutions) to ask hard questions and exercise due care in overseeing those institutions. Fraud, corruption, waste, or mere inefficiency are common foes that the legislature and other governing bodies are charged to identify and root out. That said, there are right ways to conduct affairs and there are wrong ways to manage them. An ends-justifies-the-means approach is inappropriate in this context. Not only did Mr. Hall’s demands and conduct create a toxic environment on the University of Texas at Austin campus and within the System, but the manner in which that conduct was undertaken was simply not constructive taken as a whole. Mr. Hall’s conduct became so distracting and disruptive that the Board Chairman called for his resignation. Further, the costs and expenses to the University and System attributable to Mr. Hall far exceed the cost of the legislature’s investigation of his conduct. xx1 Testimony received by the committee puts the
estimated cost of satisfying Mr. Hall’s demands at around $1 million. It is inconceivable that other less costly and more appropriate avenues could not have been pursued to achieve the desired results. Prosecutors are not permitted to violate the law to enhance their odds of obtaining a conviction. Similarly, the committee cannot condone the wrongful conduct of a rogue regent regardless of his stated goals.

The committee also adopts these findings and conclusions in an effort to “clear the decks”. It is not lost on the committee that in the coming months, a new Chancellor of the System and a new president of The University of Texas at Austin will assume those positions. The committee is also aware that the component institutions of the System will hire thousands of new professors, employees, and other personnel. The committee takes this action to give those institutions notice of its findings and to relate the committee’s expectations that these issues related to the Board, the System, and the System’s component institutions will not fester. The committee is also aware that hundreds of thousands of students and prospective students will apply to or attend institutions in the System and thousands of patients will be seen at System health care institutions. The committee is certain that the manner in which privacy interests are protected will reflect well on the System.

The committee is mindful of several recent changes in the operation of the Board and seeks to encourage additional progress. The committee remains troubled and rejects the plainly false assertion that the Board is not empowered to take action
regarding Mr. Hall’s behavior. The Board, by rule, can decide
how to monitor and police its own members’ behavior. The Board
has the ability to oversee its members’ actions. All of Mr.
Hall’s actions took place on the regents’ collective watch. Each
regent either agrees with his actions, or until recently, took
few visible steps to deter them. There should be no doubt that
this committee is looking not only at Mr. Hall’s actions, but
the Board’s actions as well.

In the end, the committee has decided, in part, to rely on
the carefully crafted decision-making model that the Chancellor
used in determining whether to recommend the recent dismissal of
the President of The University of Texas at Austin, which both
the Executive Vice Chancellor and the Chairman of the Board of
Regents agreed was an appropriate level of review. The
Chancellor stated that dismissal was warranted, even if the
officer or employee had broken no law, no rule was violated,
that the employee or officer was passionate, and every
quantitative measure was exemplary, if the deteriorating
circumstances of a working relationship had occurred, or was
coupled with persistent behavior indicating a failure to change,
and a realization that the focus of all controversy centers
around a single individual. These conditions alone require the
removal of the person from the problem in the best interests of
the institution. Many have suggested that what is in the best
interest of the System concerning President Powers may also be
applicable to Regent Hall. With those thoughts in mind, and
given that this committee does not have the unilateral authority
to simply remove Mr. Hall from office, the committee issues this
current admonishment and censure of Mr. Hall.

Even if the committee were to accept all of Mr. Hall’s
stated reasons for his actions, his methods merit censure. Most
troubling is that almost every one of Mr. Hall’s goals could
have been accomplished in a way that would not have required
this committee to meet or issue this censure. His actions,
separate and apart from his stated goals, deserve consequences.
Special counsel to the committee described Mr. Hall as “a roving
inspector general in search of a problem rather than a
solution.” The committee hopes, and anticipates, that Mr. Hall
and the entire Board of Regents will receive these comments and
criticisms and move forward more productively. Accordingly:

WHEREAS, the misconduct, incompetency in the performance of
official duties, or behavior unbecoming a nominee for and
holder of a state office demonstrated by Wallace L. Hall Jr.
included:

A. While holding office as a member of the Board of
Regents, Mr. Hall either improperly obtained,
retained, or disclosed or caused to be disclosed
confidential student information and failed to return
or destroy the same information when the disclosure
was discovered with disregard for or in violation of
the law, the rules and practices of the Board of
Regents, or the best interests of The University of
Texas System;

B. While holding office as a member of the Board of
Regents, Mr. Hall substantially impeded the ability of
this committee to carry out its duties in aid of the
legislature’s core constitutional functions of
oversight of the executive branch of state government
and of examination of the conduct of state officers by
failing to provide to the committee or preventing the
committee from obtaining information essential to its
investigation, actions that demonstrated a wilful
disregard of the responsibility of a state officer to
assist the legislature in carrying out those duties;

C. While holding office as a member of the Board of
Regents, Mr. Hall retaliated or threatened retaliation
against System and University of Texas at Austin
personnel who testified before the committee during
the committee’s investigation of allegations of
wrongdoing committed by Mr. Hall with disregard for or
in violation of state law, the rules and practices of
the Board of Regents, or the best interests of The
University of Texas System;

D. While holding office as a member of the Board of
Regents, Mr. Hall disregarded the best interests of
The University of Texas at Austin and The University
of Texas System by personally advocating before the
Council for Advancement and Support of Education
("CASE") against the development interests of the
University without the authorization of the Board of
Regents, with disregard for or in violation of state
law, the rules and practices of the Board of Regents, or the best interests of The University of Texas System; and

WHEREAS, the conduct of Wallace L. Hall Jr. as outlined in this motion, has brought disruption and significant harm to The University of Texas System, the State of Texas, and the citizens of this state; and

WHEREAS, if there were any question regarding the appropriateness of Mr. Halls' actions as a member of the Board of Regents of The University of Texas System, one need only examine the required changes to the operation of a number of state agencies, including the Texas Senate and The University of Texas System, resulting from his actions, the costs incurred by The University of Texas System in his defense, and the reputational harm to the System, and because such action requires a formal disapproval and censure; now, therefore, be it

RESOLVED, That this committee does hereby admonish and censure Wallace L. Hall Jr. for misconduct, incompetency in the performance of official duties, or behavior unbefitting a nominee for and holder of a state office; and, be it further

RESOLVED, That the committee appoint one or two members of the committee to be assigned an official, ongoing oversight role over the Board of Regents of The University of Texas System, The University of Texas System, and The University of Texas System component institutions. For the purposes of this oversight role, the assigned members will have the authority of the full committee, including the powers of this committee under Chapter
Government Code, committee staff and resources assigned or
designated, as well as any authority granted an individual
member. In performing the oversight role, the assigned members
may request meetings with Board, System, or university
personnel, including the members of the Board, the Chancellor,
and component institutions' presidents. Oversight document and
report requests will be treated as if issued from the full
committee. Board, System, and component institution personnel
may contact the assigned members directly with concerns about
the actions of Mr. Hall, other regents, the Board, or System.
The System will keep the assigned members apprised of all
developments during the selection and installation of a new
System chancellor and new president of the University of Texas
at Austin. The System will continue to provide monthly reports
to the committee's co-chairs and to the assigned members. The
assigned oversight members may revise the parameters of the
monthly report and request new reports from the System or
component institutions, including but not limited to requests
for information on the performance of the Board, individual
Regents, the System, or component institutions; information on
interactions between the Board, individual Regents, the System,
and component institutions; estimates of time expended by any
person and all costs for responses to information requests from
the Board or individual Regents; and descriptions of all
information transmitted to the Board or an individual regent
that involves or touches on the privacy rights of a student or
any other person within the System or a component institution.
within the System, including information protected under federal or state statutory or common law. The assigned members shall inform the committee regarding their findings on a monthly basis. Further, this matter will remain an agenda item for each remaining meeting of the committee and representatives of the Board and System will be asked by the committee to testify at each of those meetings; and, be it further

RESOLVED, That the committee recommends that the cost of the committee's investigation be imposed against the System and that such recommendation be forwarded to the appropriate House and Senate committees and to the Legislative Budget Board. In assessing this cost, it is the intention of the committee that the cost not be borne by the students or employees of the System, not be passed on to any component institution, and not affect in any way the quality of teaching, research, or student life. It is the intention of the committee that these costs be paid out of the operating funds of the System offices or the Board; and, be it further

RESOLVED, That a written copy of this motion be forwarded to the governor, the speaker of the house of representatives, the lieutenant governor, the secretary of state, the Legislative Reference Library, the Texas State Library and Archives Commission, the presiding officer of the Board of Regents of The University of Texas System, and Wallace L. Hall Jr. as the official statement of admonishment and censure of Mr. Hall by the committee.

UTS-098708 (Hardin Report exh. 130); UTS-103741 (Hardin Report exh. 143).


UTS-102861-67 (Hardin Report exh. 179); UTS-102859 (Hardin Report exh. 183); UTS-102857-58 (Hardin Report exh. 186); UTS-103063 (Hardin Report exh. 190).

UTS-103063 (Hardin Report exh. 190).

Cigarr?? Testimony 96:2-97:19.

Caven and Barnhill Testimony 27:2-30:17.

UTAVP\RHA 000085 (Hardin Report exh. 43); UTAVP\RHA 000121-22 (Hardin Report exh. 58; UTAVP\RHA 000101 (Hardin Report exh. 53).

E.g., UTAVP\RHA 000101 (Hardin Report exh. 53); UTAVP\RHA 000124-26 (Hardin Report exh. 59; ) UTS-034425-28 (Hardin Report exh. 92).

UTS-116795.

Id.


Frederick Testimony 95:10-16.


UTS-0737-97 (Hardin Report exh. 83); see UTS-0238700-01 (Hardin Report exh. 99) (describing Hall's actions as "divisive" and an "abuse of power").

Frederick Testimony 46:4-50:5

Id.

Id.

Id.

Powers Testimony 236:18-23, Dec. 18, 2014 (estimating that the cost of responding to Mr. Hall's inquiries exceeded a million dollars).