

## *SPECIAL REPORT*

### *SPEAKING OUT ABOUT THE RISING COST OF EDUCATION*

#### *KEEPING IT ALL QUIET*

*Speaking out about the Rising Cost of Education, Keeping it all Quiet* continues with a discussion how the University conceals many of the details of its off-balance sheet financing. Parts 3 and 4 of this series discussed off balance sheet financing. Off balance sheet financing such as that used for the Southern Miss parking garage is typically designed to conceal debt and make it easier to borrow more money that will have to be paid by students and taxpayers.

However, the parking garage isn't the only instance of using contracts to conceal information from the public. In fact, the University seems to have gotten quite good at using separate companies to conceal activities.

Most recently, a Hattiesburg American news story, "[USM eyeing contracts](#)," reported about potential "sweetheart deals" and "'sloppy' university contracts." [It reported that](#)

"Southern Miss denied a Hattiesburg American public records request for the contract [involving Noetics] on the grounds that it is technically not with the university, but rather with its 501(c)(3) nonprofit research foundation."

"Southern Miss' marketing and commercialization arm, manages the school's intellectual property by commercializing (i.e. taking to the marketplace) research done by faculty and staff."

"It is my understanding that Noetic Technologies has a contract with the University of Southern Mississippi Research Foundation, which is not subject to the Mississippi Public Records Act," explained university lawyer Rick Lambert.

Well, you may say Noetic, an independent company, has no obligation to comply with the Mississippi Public Records Act. If Noetic was an independent company, that might even make sense.

However, it obviously isn't an independent company. If you take a look at [Noetic's website](#), here's what it say:

**What is Noetic Technologies, Inc. and how is it related to the University of Southern Mississippi?**

Noetic Technologies is the commercial and marketing company of the University of Southern Mississippi's Research Foundation that manages intellectual property and business development.

Mr. Lambert says that Noetic has a contract with the University of Southern Mississippi's Research Foundation. Noetic says is it the "commercial and marketing company of the University of Southern Mississippi." So, it would appear that Noetic belongs to the Research Foundation.

Still not convinced? Let's take it another step. If you go to the [Secretary of State's website](#), you find that in 2004 when Noetic was formed, Angeline Dvorak, then Vice-President for Research, and John I. Hanbury, formerly an attorney with the University's General Counsel, were Noetic's incorporators.

Where is Noetic located? According to Noetic's [website](#),

Noetic Technologies, Inc. is located in The Accelerator, the flagship building in The Garden. The Garden is The University of Southern Mississippi's 500 acre innovation and commercializatino (sic) park.

Who does the University think it is kidding? The University, through a series of foundations and contracts and companies has set up a system where it claims it has no obligation to tell taxpayers and students how their money is being used. Eight years after its incorporation by employees of the University, according to *the Hattiesburg American*, the University was handing Noetic \$750,000 per year for a return of \$100,000.

How much of your money has been wasted? Let's run the numbers. Noetic was formed in February 2004. That means it has been around eight years.

Total cost	$\$750,000 \times 8 = \$6,000,000$
Total return	$\$100,000 \times 8 = \underline{\$ 800,000}$
Loss to taxpayers and students	\$5,200,000

Who paid the \$5.2 million loss? I think you already know the answer.

Stay tuned for other examples of these shenanigans.