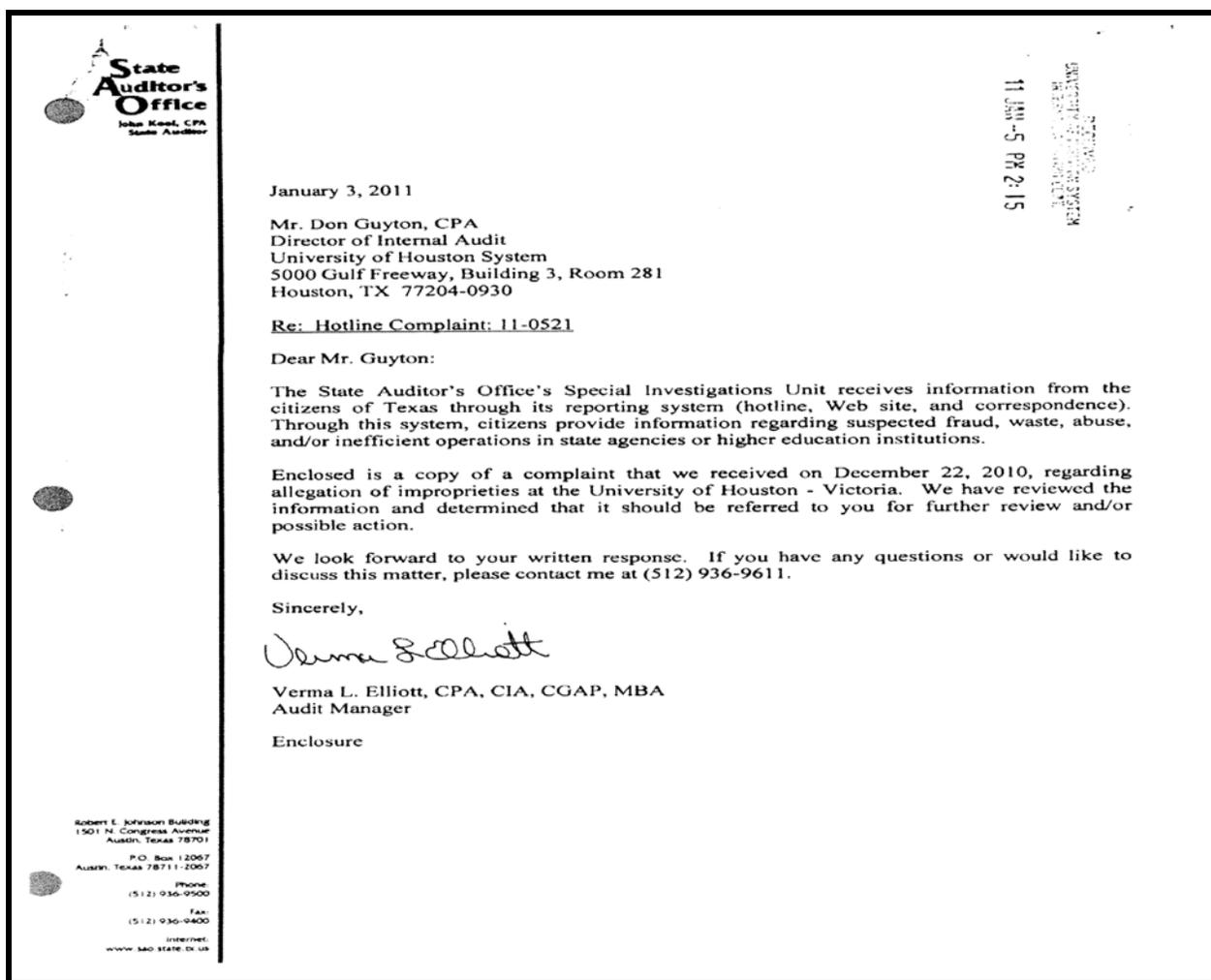


Texas Hotline Costs Niroomand \$344.52

Taxpayers Left Wondering How Much in Unrecovered Public Funds Now Exist

Texas' system of public access to government information is one of the better ones in the United States. That fact was recently made clear when USMNEWS.net acquired documents pertaining to the so-called audit of University of Houston-Victoria business school dean Farhang Niroomand's March-2010 trip to Washington, D.C. to [discuss grant-related matters](#) with U.S. Department of Education officials. These documents were produced as a result of a hotline tip on 22-December-2010 from a concerned citizen that was directed to Verma Elliott, the audit manager for the Texas State Auditor's Office, on 3-January-2011. Elliott responded by tasking Don Guyton, the director of internal audit with the University of Houston System. Elliott's letter to Guyton is inserted below:



Guyton's first action was to direct Suzanne LaBrecque, then UH-Victoria's provost, to conduct an internal investigation and submit a report on the matter. Part of LaBrecque's report to Guyton, dated 8-February-2011, is inserted below:

MEMORANDUM

To: Don Guyton
Chief Audit Executive

From: Suzanne V. LaBrecque
Provost and Vice President for Academic Affairs

Subject: State Auditor's Office: Hotline Complaint – 11-0521

Date: February 8, 2011

Thank you for the opportunity to respond regarding the complaint made to the State Auditor's Office. I have investigated the assertions made in this SAO Complaint and have provided the response below. It is my determination that the assertions made in the SAO Complaint suggesting that Dr. Farhang Niroomand submitted inappropriate travel expenses for a trip to Washington D.C. are unfounded. However, I did determine that due to an administrative error and/or misunderstanding, certain expenses had been included for reimbursement that did not have the required business-related explanation provided.

1. Dr. Niroomand had my approval for travel to Washington D.C. on behalf of UHV to meet with officers for the Fund for the Improvement of Post Secondary Education (FIPSE) and Business and International Education (BIE) for feedback on UHV's Title VI-B grant proposal submitted by the School of Business Administration. In addition Dr. Niroomand wanted to learn about partnering opportunities with other universities in the United States and Brazil. While in Washington D.C. Dr. Niroomand met with Ms Sarah Beaton of FIPSI and Ms. Tanyelle Richardson of BIE on March 22 and 23, 2010.
2. Dr. Niroomand left on Thursday evening March 18, 2010 as spring break began. He stayed with a professional colleague so he did not have nor submit lodging fees.
3. Dr. Niroomand claimed airfare (\$224), per diem for meals (\$447.30), mileage from Victoria to Bush Intercontinental Airport and return (\$144.81), airport parking (\$121) and ground transportation in Washington D.C. (\$52.60) for a total expenses report = \$990.51.
4. In reviewing Dr. Niroomand's travel voucher for this trip, he and I realized an administrative error which had resulted in reimbursement to him for \$344.52 in expenses that did not have the business-related explanation provided. Dr.

After telling Guyton that the allegations regarding Niroomand's travels received via a hotline tip were "unfounded," LaBrecque proceeds to inform Guyton that she did discover that Niroomand inappropriately claimed \$344.52 as part of the \$990.51 cost of his 2010 trip [to D.C.](#) This amount – \$344.52 – represents 34.8% of the total bill that Niroomand submitted to LaBrecque and other UH-Victoria officials for reimbursement. Thus, Niroomand submitted an expense report that sources point out was padded by about 35%. In the first paragraph of her report to Guyton, however, LaBrecque claims that this massive overage was simply the result of "an administrative error and/or misunderstanding."

The handling of Niroomand's misstep is described by LaBrecque in the last piece of part "4." in her report. There she states that "... Niroomand volunteered to reimburse UHV [\$344.52] in light of the administrative error and/or misunderstanding and has done so." Sources tell USMNEWS, however, that it is difficult to understand how Niroomand "volunteered to reimburse UHV" the money when his original claim of that sum was inappropriate. What other option, at that point, did Niroomand have? Finally, sources also add that, [given what is known](#) about Niroomand's UH-Victoria travel during the 24 months from Oct-2009 through Sept-2010 – a period during which Niroomand spent at least \$18,714 in travel – Niroomand may have claimed, using the 34.8% discussed above in this report

as a guide, as much as \$6,512 in inappropriate reimbursements from Texas (and perhaps other) taxpayers. Using this same procedure, it is also possible that Niroomand [claimed as much as](#) \$24,064 in inappropriate reimbursements over the 59 months of travel between August-2001 and June-2006 while he served as associate dean of business at USM. These figures are simply astounding.