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Carla Manning-Lilley, right, and daughter Ashton, left, walk into ECU’s Garrett Hall together on move-in day. Carla and her sister both stayed in the exact room while in school and Ashton prepares to move into that room as a Freshman at ECU. Thursday, Aug. 16, 2012. (Aileen Devlin/The Daily Reflector)

**Dorm room has family history**

By Katherine Ayers  
Friday, August 17, 2012

Carla Lilley might have been feeling a bit of déjà vu as she helped her daughter Ashton move into Garrett Residence Hall on Thursday.

That is because 37 years ago, she made the exact same move, to the exact same floor, to the exact same room.

In 1975, Carla Lilley started her freshman year on an East Carolina University campus that was little more than 12,000 students. Today the university is bustling with more than 27,000 students.

“The campus has changed, but Garrett looks pretty much as it did,” Carla Lilley said in a phone interview Tuesday. “I am so excited Ashton is following my footsteps.”

Carla Lilley said when she lived in Garrett, there were kitchenettes in each of the dorm rooms. She and her friends would make full spaghetti dinners.

Now, all that’s available is a small refrigerator and only toasters are allowed for cooking.

Carla Lilley spent the first three years of college in the room by herself, then in 1978 her sister, Marsha Rogers, Ashton Lilley’s aunt, joined her as a freshman. They shared the room for the next two years as Carla Lilley finished her undergraduate degree in child development and family relations.
and began her master’s degree in the same field. She graduated with her master’s degree in 1982.

Ashton Lilley said her ultimate goal is to be a physical therapist. Since ECU does not offer that as an undergraduate major, she said she will spend her undergraduate career studying exercise physiology. She will pursue her doctorate in physical therapy at ECU.

Ashton Lilley said she thinks it is pretty neat that she is able to live in the same room her mother and aunt did.

“I don’t know a lot of people that can say they’ve done that,” she said by phone Wednesday.

She said she is both excited and nervous to move to ECU, considering the campus population is almost six times the size of Williamston where her family lives.

“I’m looking forward to meeting a lot of new people that I haven’t had the opportunity to meet before,” she said. “I’ve always liked a bigger town, so it won’t be such a big jump.”

Carla Lilley’s son, Taylor Lilley, also attends ECU. Taylor Lilley is a senior and plays trumpet in the marching band.

According to ECU’s Office of Undergraduate Admissions, 18.7 percent of all 2012 incoming freshmen and transfer students have a legacy connection, defined as a student having an immediate family member who has attended ECU.

Contact Katherine Ayers at kayers@reflector.com and 252-329-9567.
More than 5,600 East Carolina University students began moving into the 15 residence halls on Thursday, including more than 4,000 freshmen.

This was the first year ECU instituted a freshmen residency requirement, meaning that unless first-year students have a waiver, they will be required to live on campus in one of the dorms.

Bill McCartney, associate vice chancellor for campus living services, said the new requirement is a step in the right direction.

“National studies have found that students that live on campus are more likely to graduate in four years and have better GPAs,” he said. “Alumni who were surveyed 10 years after they graduated also described their experience more positively than those who lived off campus.”

Resident advisors, upperclassmen who live in the dorms and oversee activities, are a big part of helping new students make the transition to college life, McCartney said.

“We’re training the RAs this year to find more and better ways to assist students to be academically successful,” McCartney said. “Now that we have the entire freshman class on campus, we have the ability to impact their experience a little differently than we could before.”

Curtis Wilson, an RA and a senior at ECU, said he likes helping new students feel at home on campus.
“I love ECU and wanted to help (freshmen) transition to college,” he said. “Being an RA has totally added to my experience on campus.”

McCartney said that before the requirement, more than 85 percent of freshmen voluntarily lived on campus. This year it should increase to about 96 percent.

Although there are more students on campus, McCartney said ECU has the space to house everyone who wants a room, including upperclassmen.

When the freshmen residency policy was first being discussed in 2010, McCartney said complications arose when the university worked on housing assignments by gender. But since most dorms have the facilities to be co-ed, McCartney said the solution was a matter of changing floor designations as needed.

McCartney said the increase in students using on-campus facilities like dining halls would not overcrowd those facilities. Dining services already serves more than 27,000 students plus faculty and staff on a weekly basis.

Living-Learning Communities

Another new feature this year is the addition of three new Living-Learning Communities: the Biology LLC, Future Pirate Nurse LLC and the College of Business LLC.

According to a fact sheet, LLCs are based on majors or student interests. They bring together like-minded students and are designed to ease the transition to college. The communities feature two classes taught by faculty inside the residence hall.

Some students take required pre-requisite classes together during the academic year as well, which increases their bond.

There are nine LLCs, including Engineering LLC; FX: First Year Experience; Honors College; Jarvis Leadership Program; Music LLC; and Wellness LLC.

Stephen Gutierrez, a freshmen living in Jarvis Residence Hall with the Leadership LLC who wants to major in business marketing, said he was excited about becoming part of the ECU community and the LLC.

“I’ve been doing leadership stuff through high school and that’s just been my strong suit,” he said. “I wanted to get into the LLC to improve my skills.”
While freshmen are not required to join an LLC, it does help ease the transition, said Angelina Knies, a graduate assistant working toward her master’s in math education who supervises the RAs in the LLCs.

“If students already have an idea of what they want to do, it’s nice to be around others that have the same interest,” she said. “It helps build friendships and keeps students motivated and focused.”

Student move-in continues through Sunday. A ceremony to welcome new students and Convocation are scheduled for Monday. Classes begin on Tuesday.

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Joyner: TRUNA inspired initiative
By Wesley Brown
Friday, August 17, 2012

Greenville City Councilman Max Joyner could not even finish asking Delia Rouse how many people she thought should live in a four-bedroom house Thursday afternoon when she interjected with her answer.

“Four,” Rouse said outside a home in the Tar River University neighborhood.

Rouse, along with dozens of homeowners, residents and college renters in the university community are the inspiration for Joyner’s new Neighborhood Revitalization Initiative, which received a preliminary nod from the council on Monday.

The councilman said he has driven and walked through the streets of the historic neighborhood in the past month to hear people’s ideas on how to restore the area of the city once known for its prestige.

Joyner paired his findings with those of a study prepared by city planners on how other communities around the state and country have limited the number of unrelated people who share a home.

But whether he got it right depends on who you ask.
His plan has drawn overwhelming opposition from the Tar River University Neighborhood Association and its council representative Marion Blackburn. The two contend Joyner went against their wishes and never sought their opinions about opening certain homes in the neighborhood to a fourth renter.

“I just did not wake up and say, ‘Man, there is a problem with that neighborhood,’” Joyner said. “I’m trying to make a difference, solve a problem that has been ongoing in that neighborhood for years.”

Among the top concerns Joyner learned during his time in TRUNA on Thursday was that a lack of parking and a growing number of vacant and dilapidated houses in the area have led to a spike in crime and an abundance of litter on local streets.

Joyner hopes an initiative he authored in mid July will be the answer to the area’s problems. It permits a fourth roommate in homes that are greater than 1,500 square feet and have more than four bedrooms between Elm, Fifth and Greene streets to the Tar River, on the following conditions:

- A crime-free addendum be included in an rental agreements.
- Three off-street parking spots be available at every home.
- Landlords get a zoning compliance letter before renting.
- A year-long civilian work group be established to organize revitalization efforts.

The initiative, Joyner said, combines “evidence-supported” outreach programs with zoning standards that are endorsed by college towns around the state and country, including Chapel Hill, Durham, Raleigh, Gainesville, Fla., and New Haven, Conn.

A study conducted by the city’s Community Development Department found that Greenville has one of the strictest housing standards in the state, behind Boone.

The report showed most college communities set the maximum number of unrelated people allowed in a home at four or five.

But in contrast to Joyner’s plan, many towns leave occupancy limits up to the discretion of the homeowner and not based on the size of a house or the number of bedrooms it has.

Joyner said he added such restrictions and limited the initiative to the two-mile strip of homes along the Tar River to create a “model” to strengthen
home ownership in city neighborhoods. Pitt County tax records show 40 to 45 homes would be affected.

“I am not for expanding the plan, but you have to start somewhere,” Joyner said. “Why is the magic number three? Some of the houses over there have five, six or seven bedrooms.”

Joyner said he would listen to any viable alternative presented to him, but he said the city is lacking ideas and local involvement, and has been for some time.

“In the five years I have been on the council, we have not really done anything to change the problem,” Joyner said. “We have had our heads in the sand.”

Blackburn strongly objected to the remarks, saying she has worked with “very little success” since coming to the council in 2009 to bring policy reform, especially for rental housing in the university community.

“At every step, my efforts have been blocked,” she said.

Blackburn said one long-standing goal she has tried “futilely” to enact is to require a privilege license for landlords to rent a single-family home.

The license would require a safety inspection – an upgrade Blackburn said of the honor system currently in place — establish a landlord directory and create a database to track frequent violators.

The permit would help address common problems among tenants — such as a lack of regulation regarding deposit returns, charges for damages, and a tenant bill of rights — as well as provide a more reliable way for code enforcement officers to collect fees and fines, Blackburn said.

Blackburn said Joyner’s plan has some good strategies, minus the clause that would increase home occupancy to four, but she declined to say if she would approve it if it was amended in some way.

She said she would have to see what the residents of her district want before she would agree to any change.

“The voice of the people living there is paramount, much more than mine,” Blackburn said.

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UNC chancellor asks ex-governor, auditors to look into academic fraud

By Dan Kane - dkane@newsobserver.com

UNC-Chapel Hill Chancellor Holden Thorp, under increasing pressure to dig deeper into an academic fraud scandal that has now drawn national attention, said Thursday he is bringing in a former governor and a national management consulting firm to look for “any additional academic irregularities that may have occurred.”

Thorp said Thursday that former Gov. Jim Martin, a Republican who led the state from 1985 to 1993, will work with Virchow, Krause & Co. to conduct an audit to try to find out whether the no-show classes and poorly supervised independent studies found earlier this year extend beyond the four-year period examined.

Martin and the firm will present their findings to a UNC Board of Governors panel that is reviewing the university’s efforts to get at the academic fraud.

The announcement comes days after the case took a surprising turn when a transcript apparently belonging to one of UNC’s most storied athletes, football star Julius Peppers, was found on a UNC server by rival N.C. State University fans. The grades on the transcript suggest that the no-show classes and suspect independent studies could go as far back as the late 1990s because Peppers, who also played basketball, fared well in those classes while struggling in many others.
For example, Peppers received a B-plus in a Southern Africa course in the spring 2000 semester that popped up six times as a no-show class in the university’s internal review that covered the period of 2007 to 2011. He received a B in Contemporary Africa, a course that turned up seven times in the internal review.

“Obviously a lot of people are concerned that our review didn’t go back far enough,” Thorp said, “and we’ve come to the conclusion that we’re not going to satisfy people’s interest in that if we don’t have an objective firm and an objective individual.”

Thorp said he could not discuss whether the transcript belonged to Peppers, but he said the university is trying to figure out how “inappropriate records” ended up on a UNC server where the public could access them.

**Help from outside**

The university’s previous review found 54 classes with little or no instruction and dozens of poorly monitored independent studies courses within the Department of African and Afro-American Studies. Athletes made up nearly two thirds of the enrollments in the 54 no-show classes.

University officials say two people are complicit in the fraud: Julius Nyang’oro, who was forced into retirement in July after nearly 20 years as department chairman, and Deborah Crowder, the former department manager who retired in 2009. Nyang’oro taught or supervised three of the courses in which Peppers received a grade of B or better.

Once the audit is completed, Thorp said, the firm will also review numerous reforms that have been put in place to make sure the academic fraud doesn’t happen again. Thorp said at about that time, Hunter Rawlings, president of the Association of American Universities, will come to the campus to help assess the relationship between athletics and academics and find ways to improve it.

Thorp also announced a restructuring of the academic support unit for student athletes, including removing a line of authority between the unit and the athletic department. The unit would answer solely to the College of Arts & Sciences. A faculty report had questioned giving the athletic department a say in academic support matters.

‘A big step’

Other changes include adding two positions in academic advising to monitor and oversee course enrollments for athletes. The faculty report found
athletes were improperly turning to counselors in the academic support unit for that. The faculty report said evidence suggests the academic counselors had been steering athletes to the no-show classes.

“I’m totally devoted to this place and feel like we have to do whatever it takes to get us past this,” Thorp said in an interview, “and I think that the things that we are announcing today will.”

Thorp has been criticized both on campus and by at least one member of the UNC Board of Governors, former state Supreme Court Justice Burley Mitchell, for failing to dig deeply into the details of the scandal.

UNC history professor Jay Smith has been outspoken about the need for a deeper investigation to protect the university’s academic integrity. The university is considered one of the top five public universities in the nation, and the depth of the academic problems has stunned faculty and students alike.

Smith praised Thorp’s initiatives, particularly bringing in Rawlings to help the university develop a proper academic-athletic relationship.

“I see today’s measures as a big step in the right direction,” Smith said.

He also liked the selection of Martin, 76, a former chemistry professor at Davidson College who also served a term on the UNC Board of Governors, and that Thorp sees the need to see how far back in time the academic fraud extends.

The new initiatives are on top of numerous reforms the university has put in place and likely will coincide with two other probes under way. The SBI is investigating possible crimes related to the academic fraud, while the Board of Governors panel is reviewing the university’s efforts to figure out what happened.

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UNC board should grab the reins
By Jay Schalin

A public university system requires an active board that makes independent decisions to ensure that the system meets the needs of the state and not just the needs of self-interested administrators, politicians and faculty members. Yet that is seldom the case; governing bodies tend to act like rubber-stamp committees and social clubs instead of asserting themselves.

One way that university system administrations reduce their governing boards to subservient status is by controlling the flow of information. A recent meeting of the UNC system Board of Governors illustrates the problem.

When a topic is introduced at a Board of Governors meeting, an expert gives testimony to frame the issues and present the relevant facts. Discussion and questions by board members follow, with the topic then referred to the appropriate committee if further action is warranted.

The problem is that the experts are just about always provided by the system administration and offer one-sided information that favors the administration’s interests.

This “asymmetry of information” problem severely hampers the board’s ability to govern responsibly; if board members hear only one side of the issue, how good can their decision-making be?

The August meeting kicked off discussion of long-range planning, certainly a crucial function of the board. The university system’s previous long-term plan, titled UNC Tomorrow, predates the economic downturn and is obsolete. It is imperative for board members to revisit the big picture.

But rather than receiving the well-rounded information from differing viewpoints needed to set a wise agenda, the board was fed multiple sources advancing the same viewpoint: that states need to spend more on higher education and increase the number of college graduates to meet the needs of the future economy.

These sources included a presentation by former Landmark Communications CEO John Wynne, who is part of a coalition of business leaders pushing the Virginia public higher education system to produce 100,000 more graduates.
than it currently does. They also included two PowerPoint presentations produced by the State Higher Education Executive Officers – hardly an impartial source of information – for board members to read in advance of the meeting.

Though advocating more investment in higher education is the prevailing position in most establishment circles, there is also a competing perspective that is rapidly gaining credibility: that too many students are going to college, causing distortions in the economy.

This emerging view is corroborated by serious evidence, such as the trend of increasing numbers of college graduates working at jobs that do not require college degrees (now over 30 percent), or the likely presence of a college “bubble” akin to the housing bubble that precipitated the economic downturn.

This view has become mainstream and is frequently discussed on the pages of the Wall Street Journal, New York Times and Chronicle of Higher Education. Its absence from the long-term planning discussion of a major university system is a grave omission.

By providing information supporting only the prevailing view that state university systems should grow dramatically in students, funding and importance, UNC’s general administration skewed the dialogue. Obviously, the Board of Governors’ eventual agenda for the university system would be very different if both views were considered.

If ever there were a time for the board to assert its independence from the system’s General Administration, it is now, when a vision for the future is being crafted. Historically, board members have passively submitted to the desires of the administration, ignoring that they have been selected by the legislature to represent the state and the taxpayers.

One solution is to give a board control over expert testimony. It could hire its own executive director to independently select the information provided to board members, to ensure that board members get both sides of the story before making decisions that will affect the entire state for decades to come.

This could be accomplished with a mere $200,000 appropriation from the legislature – an investment that could save many millions of dollars going forward. That is a small price to pay for truly independent governance, which is the only reason the Board of Governors exists.

Jay Schalin is the Pope Center for Higher Education Policy’s director for state policy analysis.
Undermining N.C.'s higher education goals

By Clyde R. Ingle

A recent discussion by the UNC Board of Governors is a demonstration of the fading commitment to a historic North Carolina value and policy of promoting equal opportunity to higher education in our state. Board member squabbles should not mask that fact.

First the legislature, enabled by the governor and other state-level leaders, cut money to higher education with the understanding that the institutions, enabled by their governing boards, would be allowed to increase tuition and fees to some degree to cover the lost revenue.

In the short term, lawmakers limited the amount of increases allowed. More recently that restriction appears to be eroding.

Changing support levels during hard economic times is perfectly understandable. However, is it too much to expect that all parties would still be committed to and take actions to achieve the goal of equal opportunity for higher education? Examples might include implementing greater efficiencies at the campus level, with central administrations, and, yes, even freezing or cutting salaries above some reasonable level, for example over $200,000 per year.

To protect the principle of equal opportunity in the past, the Board of Governors required that a minimum amount of revenue generated by tuition increases be put into student aid. System President Tom Ross’ latest proposal would change the minimum to a cap, i.e., “no more than,” which could mean none all.

What is his rationale for this recommendation?

Board member Fred Eshelman calls the financial aid set-aside “a hidden tax,” casually equating tuition, a “user fee” paid by the user of the service, with a “tax,” which is imposed by duly elected representatives for activities deemed in the interest of all the community.

Eshelman is essentially transferring a radical political ideology directly into the governing board of the university. That, of course, was what his appointment was intended to do.
The practical effect then is to undermine North Carolina’s historic commitment in the constitution and in the years thereafter to provide equal opportunity for all our residents to higher education.

Adjustments in how this objective should be pursued are expected. However, how to implement the goal is not what is at stake in this discussion. Rather, in the broader context of North Carolina’s history, we are witnessing a fundamental change in our expectation of what the university’s role in our state is to be.

Further decentralization of decisions to the institutions will likely lead to raising the cap on the number of nonresidents admitted and to ongoing tuition and fee increases.

Fundamentally, what this discussion demonstrates is the disintegration of any state-level policy for higher education. Of particular interest is that, while the focus has been on the university system, a similar trend is clear in the North Carolina community college system.

While the university system, the governor and General Assembly discussed potential funding cuts and settled on a 9 percent tuition increase, the community colleges – operating in the overarching shadow of the university – proposed an approximate 20 percent increase. The General Assembly and governor accepted and applauded this decision while also allowing each campus the option of not providing students access to low-cost federal loans.

This radical and fundamental change in policy toward educational opportunity in North Carolina and toward the role of and access to the university deserves a much more focused discussion by elected officials. It should not be left willy-nilly to members of governing boards and administrators whose primary interests and commitments are more narrow.

A good start would be to expect both candidates for governor to address this issue. Further, the leadership of the two parties and the General Assembly should take responsibility for shaping and deciding our policy.

_Clyde R. Ingle is the first college graduate in his extended family and the son of a Burlington textile worker. He holds two degrees from UNC-Chapel Hill and served as Indiana Commissioner for Higher Education (1984-1995) and as executive director of the Minnesota Higher Education Coordinating Board (1977-1984). He lives in Wilkes County._
9/3/11 South Carolina Gamecocks (1) wide receiver Alshon Jeffery fights for yardage following a pass reception as East Carolina's (53) linebacker Jeremy Grove and (59) linebacker Daniel Drake go for the tackle Saturday at Bank of America Stadium in Charlotte, NC. The Gamecocks defeated the Pirates 56-37. Jeff Siner - jsiner@charlotteobserver.com

**Grove in middle of ECU's defensive rebuilding**

By Chris Kudialis - ckudialis@newsobserver.com

GREENVILLE—After recording a team-best 122 tackles last season, Jeremy Grove is back for an encore performance.

His mission? Turn around a unit that ranked 56th in total defense and 97th in scoring defense in 2011.

Fortunately, the preseason All-Conference USA selection has plenty of help from familiar faces.
The unit returns seven starters, including fellow All-CUSA preseason pick Michael Brooks.

All four linebackers return. Joining Grove will be juniors Derrell Johnson and Kyle Tudor and sophomore Maurice Falls, who made his first career start in the season finale against Marshall last year.

With the combination of the personnel coming back and defensive coordinator Brian Mitchell’s development of the unit’s depth, Grove is confident in this year’s unit.

“If everyone does their job,” he said, “we’re going to be all right.”

Grove’s 122 tackles last season were good for third in Conference USA, earning him a spot on the conference’s All-Freshman team. ECU ranked his debut as possibly the best in program history by a freshman defender.

But what is it that has Grove and this year’s unit so confident? Perhaps the answer lies with the increased urgency of Mitchell’s coaching. More than ever, says Mitchell, the Pirates are enforcing competition and the fact that nobody’s starting job, not even Grove’s, is safe.

“We decided as a coaching staff that we need to amp up the effort,” Mitchell said recently. “We have to be relentless when we go after the ball.

“I’m a true believer that talent is overrated. It doesn’t matter how much talent you bring to the table; if you’re not willing to sacrifice yourself for the greater good of the team, you’re not going to fit.”

Grove agrees, saying that he’s spent additional time during the offseason reviewing game film and focusing on ways to improve.

“No matter what you’ve done, it doesn’t mean anything this year,” he said.

Mitchell’s emphasis on competition has bolstered depth in the area where the Pirates most need it – the secondary.

Three of the four spots are still up for grabs. Damon Magazu seems to be the only lock for a starting position, as the free safety is the only returning starter from last year’s unit that featured three time All-CUSA nominee Emanuel Davis, veteran Derek Blacknall, and Bradley Jacobs. But Adonis Armstrong and Jacobi Jenkins are expected to compete for Blacknall’s spot at field cornerback, while Leonard Paulk is the leading candidate to take the void left by Davis at bounty cornerback. At strong safety, the battle continues between Lamar Ivey and Chip Thompson.
For any of the players who end up filling the open positions in the secondary and at right end, the difference, and reason for improvement is simple for Grove, the on-field leader of the unit.

“Mentally, we’re prepared, and we know we have to get the job done,” he said.

Kudialis: 919-829-8985
Jim Donnan, a former N.C. State University quarterback in the 1960s and a head football coach at two colleges, has been accused by the Securities and Exchange Commission of conducting an $80 million Ponzi scheme that preyed on college coaches, former players and big-time athletics boosters.

The commission contends that Donnan, a College Football Hall of Fame coach who led the University of Georgia Bulldogs and Marshall University Thundering Herd in West Virginia, engaged in fraud with his business partner, Gregory L. Crabtree.

According to an SEC complaint filed Thursday, the men formed a West Virginia-based company called GLC.

They tried to lure investors – with Wolfpack men’s basketball coach Mark Gottfried and Virginia Tech football coach Frank Beamer among them – by offering high-yield, short-term investments with return rates ranging from 50 to 380 percent, the complaint states.

The men told their investors that GLC was in the wholesale liquidation business. They claimed to buy leftover, discontinued, damaged or returned merchandise from major retailers, then resell the wares at a substantial profit to discount retailers and other liquidators.

Donnan, who worked as a college football analyst for ESPN after coaching, recruited the majority of the 97 investors, according to SEC investigators.

“Many of the individuals Donnan approached were contacts he made as a sports commentator and former college football coach,” the complaint states, in some instances using his position of influence on former players.
“For example, when approaching a former player that Donnan had coached, Donnan told him: ‘Your Daddy is going to take care of you’ and ‘if you weren’t my son, I wouldn’t be doing this for you,’” the SEC complaint states. “That player later invested $800,000.” The former player was not identified.

Of the $80 million raised, only $12 million was used to purchase the appliances and furniture.

Investors contend they were encouraged to rollover principal or interest payments into new deals.

“Donnan told some investors their profits were ‘guaranteed’ and told at least one investor ‘you can’t lose your money; it’s already pumping oil,’” the complaint states.

**Alums, athletes targeted**

Gottfried, who like Donnan was an ESPN analyst, invested $250,000 in the company, according to court filings. Dwayne Harrison, sports information director for the NCSU men’s basketball team, said Thursday that Gottfried was traveling and not available to comment.

Maurice Koury, a UNC-Chapel Hill athletics booster, was also among the investors, according to court files. Other investors included Texas Tech basketball coach Billy Gillispie, former University of Georgia football player Kendrell Bell and prominent former and current college football coaches Barry Switzer, Dennis Franchione and Tommy Tuberville.

The SEC included Jeffrey Todd Donnan, 39 of Athens, Ga., Tammy L. Donnan, 49 of Marietta, Ga., and Gregory K. Johnson, 47, of Oklahoma City, Okla., as relief defendants in the civil case, alleging that Donnan had funneled money to his son, daughter and son-in-law.

By including them in the complaint, the SEC hopes to recoup funds from them.

It is unclear whether criminal charges will follow. Federal prosecutors have not publicly indicated whether an investigation is underway.

**Problems in 2010**

Problems with GLC became evident to investors in late 2009 or early 2010, when Crabtree told Donnan the company could no longer pay the rates of return he had been promising, according to court filings. The company began missing interest payments in August 2010.
In June 2011, Donnan and his wife, Mary, filed for Chapter 11 bankruptcy in Georgia federal court. In July 2011, federal court documents in bankruptcy court in Ohio accused the Donnans of making millions of dollars from the Ponzi scheme.

The SEC’s complaint charges Donnan, 67, who lives in Athens, Ga., and Crabtree, 50, of Proctorville, Ohio, with violations of the antifraud and registration provisions of the federal securities laws.

“Donnan and Crabtree convinced investors to pour millions of dollars into a purportedly unique and profitable business with huge potential and little risk,” William P. Hicks, associate director of the SEC’s Atlanta Regional Office, said in a statement. “But they were merely pulling an old page out of the Ponzi scheme playbook, and the clock eventually ran out.”

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Triangle universities side with University of Texas’ use of race in admissions

From staff reports

Duke University and UNC-Chapel Hill have both weighed in with the U.S. Supreme Court about a Texas case that challenges the use of race in college admissions.

Duke was among 14 universities, including Harvard, Stanford and Yale, that signed onto a single amicus brief this week. UNC-Chapel Hill filed its own friend-of-the-court brief last week.

The coalition that included Duke said in its brief that the universities “speak with one voice to the profound importance of a diverse student body – including racial diversity – for their educational missions.” They say they “recognized long ago that admissions by purely numerical factors such as grade-point averages and standardized test scores would not effectively accomplish their broader educational missions.”

The brief notes that none of the 14 universities reserves seats for applicants of any race or ethnic background. Rather, their admissions policies consider various factors such as backgrounds, talents, experiences, race and first generation in college.

The UNC-CH brief argues that public universities have a compelling state interest in preparing students for a diverse society and assuring a pool of strong state leaders by admitting undergraduates from every background. A requirement to adopt a “race-neutral” admissions policy would weaken the quality of future classes and exclude strong candidates, the authors of the brief write.

The case was brought by Abigail Fisher, a white applicant who sued the University of Texas at Austin in 2008 after being denied admission. She claims the consideration of race by the university is unconstitutional and in violation of federal civil rights statutes. The court is scheduled to hear arguments in the case Oct. 10.
The Wilmington Star News
Published: Thursday, August 16, 2012 at 2:11 p.m.

**UNC Wilmington raises almost $12 million**

WILMINGTON – Donors contributed more than $11.8 million in gifts and pledges to the University of North Carolina Wilmington during the 2011-12 fiscal year, according to a release from the university.

The funding goes toward academic, athletic, research and community outreach at UNCW, the release stated. Donations were earmarked to establish two professorships, three fellowships and 23 scholarships, and donations increased from several groups, including parents, faculty and staff and alumni. Student donations also increased by 117 percent, according to the release.

In addition to gifts and pledges, UNCW gets its operating budget from state funding, student tuition and fees and academic grants and foundations.

– Pressley Baird
U-Va. board expected to explain closed-door meeting

By Jenna Johnson and Donna St. Georg

RICHMOND ---- The University of Virginia Board of Visitors met behind closed doors to discuss “legal and personnel matters” for about two hours on Wednesday evening.

Inside were the governing board members; their leader, Rector Helen E. Dragas; and a lawyer from the state Attorney General’s office. Waiting outside were officials who typically are allowed to attend closed sessions: U-Va. President Teresa Sullivan, the board secretary and the board’s usual attorney. Two newly appointed special advisers to the board were also not included.

As time passed — much more time than the 75 minutes allotted on the agenda — those outside exchanged nervous glances.

The events of the summer have left many top officials weary of longer-than-expected closed-door meetings, especially those dealing with personnel issues. On June 8, Dragas asked Sullivan to step down, saying that she had the support of 15 of 16 board members. Sullivan agreed to resign, and the lack of explanation incited an angry backlash from faculty, alumni, students and others, many of whom demanded that Sullivan return and Dragas resign. On June 26, Sullivan was reinstated and, since then, she and Dragas have said they are committed to working together.

This week the board is meeting in Richmond for a retreat, its first gathering since the board unanimously voted to void Sullivan’s resignation. This retreat had originally been scheduled for July, with plans for board members to stay at an executive training center at the U-Va. Darden School of Business. Darden became a lightning rod in the controversy, which many saw as a clash between traditional academics and business executives over their differing visions for the future of public higher education. The retreat was bumped to August and moved to Richmond, in hopes that Gov. Robert
F. McDonnell (R) could attend. (He did not, but sent the board a letter on Tuesday.)

Several of those waiting here outside the closed doors commented that they were reminded of what happened in Charlottesville on June 18-19. At that time, the board met in a closed session that started in the afternoon of the 18th and stretched until 2:30 a.m. on the 19th as members debated whom they should appoint as an interim president in the midst of the leadership crisis.

After the doors closed here Wednesday at about 4:20 p.m., there were few hints as to what was happening inside. Every now and then, Dragas would open the door and summon someone. The first name she called was “Terry.” Sullivan, whose staff calls her Terry, thought that meant her. But no, Dragas wanted Terry MacTaggart, a governance consultant who earlier that day had led the group through discussions about how they operate.

After about an hour, the group took a break. Many members fled to the restrooms. The two attorneys conversed. The consultant spoke quietly with the president. Dragas and board member George K. Martin, a Richmond attorney, stepped away for a private conversation. At one point, Sullivan and Dragas had a private conversation, as a few reporters watched from a distance. Rumors quietly spread that nothing drastic would occur that night.

At some point, the meeting resumed. Towards the end, Sullivan was invited inside. Everyone outside waited. Suddenly, the sound of applause escaped from the room. Soon, the doors were propped open and everyone was allowed back inside to hear Dragas decree: “And we are adjourned for the day.”

The board members and university officials then packed into cabs and headed to a riverfront seafood restaurant for dinner. The group dined in a glass-walled room perched atop the Boathouse at Rocketts Landing, which provided a stunning view of downtown Richmond as the sun set. Reporters were not allowed to attend.

It’s publicly unknown what was discussed on Wednesday evening, but a university spokeswoman said that Dragas plans to issue a statement on the topic on Thursday morning. The spokeswoman said she had no idea what that statement would say.
Student Paper Editors Quit at University of Georgia

By RICHARD PÉREZ-PEÑA

Much of the staff of the University of Georgia’s student newspaper, including the top editors, resigned Thursday, claiming interference, even censorship, by the nonstudent managers hired to oversee it.

Polina Marinova, the editor in chief of the newspaper, The Red and Black, said in a statement that “recently, editors have felt pressure to assign stories they didn’t agree with” and “take ‘grip and grin’ photos.”

In the last month, she said, officials at the nonprofit publishing company that owns the newspaper had hired nonstudent employees “with veto power over students’ decisions.” (The publishing company and the newspaper are independent of the university.)

In particular, students objected to the editorial adviser, Ed Morales, being elevated to editorial director with the authority to veto decisions on editorial content, rather than simply advise.

The paper’s publishing board took issue with most of the students’ complaints on Thursday, although they did not detail Mr. Morales’ powers, and he declined to comment.

“It is not, nor has it ever been the intention of the board to censor student content,” said a statement released by the board and the publisher, Harry Montevideo. “We expect our students to collaborate with our professional staff to establish and maintain standards for quality, develop plans for content and create quality journalism products, which engage our audience.”

The Red and Black did not report on the controversy until Thursday afternoon, when it posted its statement online.

The walkout came after Ms. Marinova obtained a draft memo written by a board member that contained proposed guidelines for the newspaper. The memo listed, among “bad” news that was to be played down, “content that catches people or organizations doing bad things.”

The author, who was not identified, added, “I guess this is ‘journalism’ ”

Officials said the memo was not a policy statement, but reflected internal discussion.