



## APNewsBreak: Mizzou cracks down on credit card use

**COLUMBIA, Mo. (AP) — The Missouri athletics department is tightening employee use of school-issued credit cards after an audit found a series of improper purchases, including bills for more than \$7,600 from a Las Vegas strip club.**

Department spokesman Chad Moller said Tuesday that director of video operations Michael Schumacher had repaid \$7,605.50 for two credit charges from a May 5, 2011, visit to Olympic Garden. One of the charges included a \$2,000 tip on a \$4,400 bill at a nightclub billed as the "only Vegas strip club on the Strip."

Schumacher was representing Mizzou at a professional conference but traveled alone, Moller said. He said "responsive and appropriate disciplinary action was taken," but that he was unable to elaborate on a personnel matter. Schumacher did not respond to several messages left at his home and campus office.

The Aug. 14 Pricewaterhouse Coopers audit — part of a routine and periodic review of university business functions — also flagged nearly \$3,000 in charges by former men's basketball director of operations Jeff Daniels, who now works at Arkansas under former Tigers coach Mike Anderson.

Daniels billed the school for two charges of \$1,489.54 each at the Vince Young Steakhouse in Austin, Texas, in January 2011; there is a \$2,500 transaction limit. Those charges were for a team meal, both he and Moller said. Moller estimated the traveling party consisted of approximately 30 people, including coaches, team members and support staff, meaning an average dinner cost of nearly \$100 per person.

Most of the remaining 85 purchases singled out by auditors involved much smaller amounts, from Federal Express invoices to three-ring notebooks for athletes' academic support. There was a \$77.83 purchase of flowers for athletic director Mike Alden.

Each of the comparatively few personal purchases made by employees on university purchasing cards was repaid, Moller pointed out.

"We're very happy with the results of the audit," he said. "Keep in mind that during the time period of the review, athletics had close to 14,000 (purchasing) card purchases. (The flagged charges) represents a very small percentage."

The university has deactivated 32 credit cards out of the 120 that had been issued to athletics employees before the audit, Moller added.

An audit summary was presented to the university's Board of Curators at its September meeting in Columbia. The Associated Press subsequently obtained a copy of the complete report as well as the documents related to the improper charges through a public records request under Missouri law.

The audit also recommended that Missouri tighten its procedures for giving away free tickets and accounting for unused tickets to campus sporting events. The report noted that while Alden and his compliance office are in charge of ticket giveaways, and two ticket managers assist Alden with reconciling those lists after games, an independent review is preferable.

The audit determined that "some users with access to the ticketing system also have custody of tickets and control the reconciliation process," which increases "the risks that the reconciliations could be manipulated and unauthorized tickets could be distributed."

The issue of athletic ticket office oversight is a familiar one in the Big 12 Conference, Missouri's previous affiliation before it left for the Southeastern Conference earlier this year.

At Kansas, seven athletics officials were convicted for profiting from the unlawful sale of Jayhawk football and basketball season tickets to ticket brokers. Several of the key players were forced to pay back more than \$2 million.

Missouri athletics responded to the audit's ticket office findings by now having its business office "conduct an independent reconciliation at the end of each sport season," Moller said.

Employees are also on notice. An undated document provided to the AP entitled "athletic department response to the purchasing card review" notes that "personal use of purchasing cards (is) being tracked and reviewed with more scrutiny in the past."

"It is not OK to just collect reimbursement after personal use," the document states. "Enforcement of misused cards will result in a range of consequences from reduced limits, suspended and canceled card use and human resource personnel actions being taken when deemed necessary."

## MU audit exposes a \$7,600 strip-club charge

By TEREZA A. PAYLOR

**COLUMBIA -- A recent audit of the University of Missouri's athletic department finances uncovered dozens of questionable personal charges made to university credit cards, including two totaling more than \$7,600 at a Las Vegas strip club.**

Department spokesman Chad Moller said director of video operations Michael Schumacher has since repaid a total of \$7,605.50 for charges related to a visit to Olympic Garden, a Las Vegas strip club, on May 5, 2011. According to documents obtained by The Associated Press, one of the strip-club charges included a \$2,000 tip on top of a \$4,400 bill.

"He was attending a national conference with people who do his job in athletics," Moller said of Schumacher. "He was the only representative there for Missouri, and when Mike got back from his trip, he paid everything back."

Moller said disciplinary action was taken against Schumacher, who is still employed by the university, but did not divulge what that was.

"He showed very poor judgment and is very remorseful," Moller said. "He immediately made amends. I know he's grateful to have a chance to make up for it."

Noting that all of the personal charges flagged by the routine audit were repaid by the employees who made them, Moller said the school has since taken a number of steps to curtail unauthorized spending. The audit was performed in August by Pricewaterhouse Coopers.

"The vast majority of (flagged charges) were personal, small and minor in nature," Moller said. "Every charge that was flagged that was personal was reimbursed to the university, so there's no issue there ... It's just the fact that you're not supposed to make any purchase with a university card, whether it's a stick of gum or a movie ticket, even if you do pay it back."

The Associated Press also reported that the audit flagged expenses from January 2011, when former men's basketball director of operations Jeff Daniels billed the school for two charges of \$1,489.54 apiece at the Vince Young Steakhouse in Austin, Texas.

Moller said those charges were for a team dinner — "something that happens on every trip by every athletic team in the country," he noted — and estimated some 30 players, coaches and staff

members were in attendance. Those charges were flagged because together they exceeded the \$2,500 limit for single transactions.

“That’s why he split it into two charges,” Moller said. “However, you’re not supposed to do that.”

According to The Associated Press, most of the remaining 85 flagged purchases involved much smaller amounts, from Federal Express invoices to three-ring notebooks. There was also a \$77.83 purchase of flowers for athletic director Mike Alden.

In response to the audit, Moller said, the department has already taken steps to remind employees about what constitutes improper purchases. Through emails, meetings and notices, he said, the department has tried to hammer home the fact that personal charges — repaid or not, and as small as they might be — are not allowed.

Moller said the department has also reduced the number of credit cards held by athletic department employees from 120 to 88.

“In the end, we’ll reduce the number of cards out there by about 40 percent,” he said. “We’re not quite there yet, but it is a process.”

Moller pointed out that the flagged charges represent a small percentage of the total number of charges made by athletic department employees during the audit period. While there’s room for improvement, he said, department leaders such as Alden are comfortable with the findings.

“Not to make light of what was not done properly, but overall, when you consider there were 14,000 charges made over that time period, you have to feel good that things are being done right,” Moller said. “But when you find mistakes like we did, you correct them, tighten procedures and be mindful of everything you can do better. An audit is a healthy process to go through.”

The audit also suggested the school tighten up its procedures for giving away free tickets and accounting for unused tickets to campus sporting events.

The audit summary and documents related to the improper charges obtained by The Associated Press revealed that while Alden and his compliance office do oversee ticket giveaways, an independent review is optimal if the school wants to protect itself from a scandal similar to the one that unfolded in 2010 at the University of Kansas. In that situation, seven KU athletics officials were convicted for profiting from the unlawful sale of Jayhawks football and basketball season tickets to ticket brokers.

“They (the auditors) felt like there needed to be more independent verification of ticket ledgers, just outside of the ticket office,” Moller said.

In response, Moller said the school’s business office will now conduct a review after every sports season in conjunction with the MU ticket office.

“This was being done before,” Moller said, “but now it’s (a matter of) making it more consistent to help with accountability.”



## UM partners for research on small reactors

By Janese Silvey

Tuesday, October 23, 2012

**A professor from the University of Missouri's Nuclear Science and Engineering Institute is leading the initial phase of a new multiyear research agreement between the university and Westinghouse Electric Co.**

Curators' Professor Sudarshan Loyalka and his students will spend the next couple of years analyzing accident scenarios and emergency plans associated with small modular nuclear reactors.

Westinghouse last week announced a master research and collaboration agreement with MU and the Missouri University of Science and Technology in Rolla. The contract is separate from but supports Westinghouse and Ameren Missouri's proposal seeking as much as \$452 million in U.S. Department of Energy funding to design and build small modular nuclear reactors at Ameren's Fulton plant, said Sarah Barczyk, a spokeswoman for Westinghouse.

Using a "complex set of calculations," Loyalka said, his work will involve looking at various aspects of small nuclear reactors, such as how particles move and react under certain conditions within the underground facilities.

The study is generic and not specific to the Callaway location. The contract with the UM campuses also will continue regardless of whether the companies receive the DOE funding.

"We are excited to be a part of this partnership, which will open many doors for collaborative research between Westinghouse and our university campuses in support of small modular reactor development and deployment," UM System President Tim Wolfe said in a statement. "This is an important partnership for our university system, the state and nation as we look toward energy independence while at the same time bringing jobs to Missouri."

Missouri companies are getting a head start if Westinghouse does pursue small modular reactors at Ameren's Callaway site. Component manufacturers, construction companies and economic development groups are expected to attend an SMR summit in St. Louis next week to learn more about the project and potential supply needs.

It's too soon to say what future studies university professors will be asked to conduct under the new agreement with Westinghouse. The goal is to "meet the evolving needs of the nuclear energy industry," Barczyk said.

"The Missouri university system has proven itself as an institution with clarity of vision and strategic direction along with an excellence in execution that will lead to positive change," she said.

The strategic direction of the Nuclear Science and Engineering Institute itself is still in the works, though.

Earlier this year, Graduate School Dean George Justice told NSEI faculty members the institute would be closed immediately and that they would need to find new academic homes within two years. After backlash from students, administrators scrapped the plan, saying NSEI will remain open until the last student graduates.

New students were accepted into the institute this school year, but it's unclear whether nuclear engineering students starting next fall will be associated with NSEI. The College of Engineering is developing a new nuclear engineering program and has asked NSEI professors to collaborate in that, MU spokeswoman Mary Jo Banken said.



## MU Press

### Rebuilding time

By Henry J. Waters III

Tuesday, October 23, 2012

#### The resurrection of the University of Missouri Press continues.

With control transformed from the system to the Columbia campus, it now assumes the shorthand moniker "MU Press," at least in this presentation.

Moving management of the enterprise for scholarly publication to the MU campus makes sense. The campus is where scholarship resides, certainly not in the distant enclave of University Hall, where President Tim Wolfe and his cadre of UM system practitioners do their magic.

The final move in the initial rebuilding of support for the press was the rehiring of former Editor-in-Chief Clair Willcox, who had been awkwardly let go in the initial restructuring. Formerly angry and now relieved authors far and wide hail Willcox's return, and many observers say he already is regaining vital support. Former Chancellor Richard Wallace, instrumental in the rehiring, says Willcox already is performing a "minor miracle."

A 21-member committee is discussing what types of books the press should publish in the future. University President Wolfe and UM Board of Curators President David Bradley — both dear friends but, like me, notorious non-scholars — say more works from MU authors should be published. But others, including Arts and Science Dean Michael O'Brien, say developing a "backyard press" is not the goal. Developing a strong national pool of authors is most important.

Committee member Gary Kremer, director of the State Historical Society, points out other university presses in the state have a more regional focus, indicating the MU press should not be limited by state geography.

Well, fine. The committee is having the right discussion. With Willcox back in the saddle, the effort now is aimed at rebuilding a better press than ever. Even to an outsider, the potential mix of authors seems a question first of examining each submission for quality rather than the home address of its author. Missouri authors are published by presses all over the nation, and vice versa, a satisfactory aggregate result for enterprises dedicated to spreading scholarly works of highest quality rather than developing pods of local enterprise — backyard presses, as O'Brien calls them.

Making sure MU authors get fair consideration should be a given, but that's as far as editorial affirmative action should go.

HJW III

Always ride your horse in the direction it is going.

## College tuition hikes more modest but still painful

### NO MU Mention

By JUSTIN POPE/The Associated Press

October 23, 2012 | 11:01 p.m. CDT

The sticker price of in-state tuition at four-year public universities climbed about \$400 this fall, an increase of nearly 5 percent that brought the average to \$8,655. That's a modest increase compared to recent years but still painful for families with stagnant incomes after a prolonged economic slump. Room-and-board charges grew by a comparable amount, raising the full cost for students living on campus to \$17,860.

The latest annual figures from the College Board, out Wednesday, show only about one-third of full-time students pay that published price. The estimated net price — what students pay on average after accounting for grants and tax credits — remains considerably lower than the list price: about \$2,910 for tuition at public four-year universities and \$12,110 including room and board. But after several years when a wave of student aid from Washington held net prices mostly in check, real costs for students have now jumped two straight years as that wave washes back from its high-water mark.

At private colleges, enrolling about one-quarter of four-year college students, list prices remained substantially higher: \$39,518 on average, including room and board. During the previous three years, net prices at private colleges had declined. But this year, net tuition and fees increased about \$780. Including room and board, but factoring in aid, the typical student at a private college is paying \$23,840. At public two-year colleges, tuition and fees increased \$172 to \$2,959. On average, those costs are entirely covered by aid.

Altogether, the latest figures send mixed signals. They highlight that higher education, while increasingly essential economically, is devouring an ever-increasing share of family incomes, which are lower than a decade ago. But the numbers could also signal an inflection point where several unsustainable trends in costs, borrowing and student aid at last begin to break, though it's too soon to say for sure, said report co-author Sandy Baum of the College Board and George Washington University.

Prices were up this year, though at barely half the rate of the previous two years. Enrollment, after surging nationally for several years after the economy collapsed in 2008, has leveled off. Partly as a result, federal aid is also now declining slightly after several years of double-digit increases. Even student borrowing, the source of much anxiety, declined last year by about 4 percent. Borrowing remained 24 percent higher than five years earlier, but the annual decline was the first in at least two decades.

Explanations could include debt aversion, more parents employed or simply a decline in enrollment overall, particularly at for-profit colleges, where students typically borrow more than at other types of school.

"It's not that college is cheaper," Baum said. "It could be parents' savings have come back a little so they're able to help. It could be that they're hesitant to borrow."

The figures come as the presidential candidates regularly lament the rising costs of college, with President Barack Obama boasting that the broad expansion of federal student aid during his term has helped cushion the blow from sharp funding cuts from the states. His Republican challenger, former Massachusetts Gov. Mitt Romney, argues increased aid from Washington has encouraged colleges to charge more.

The report largely blames state cuts for rising tuition, highlighting historical data showing tuition jumps most when state support falls. According to the College Board — a nonprofit membership group that promotes college access and owns the SAT exam — state funding per student to higher education has now declined four straight years and is down 26 percent over the last five. The tectonic shifts in the economics of higher education, with costs shifting from the states to families and the federal government, are on display across the country, though perhaps nowhere more vividly than in places like the California State University system, which educates 427,000 students. CSU, which saw state cuts of \$750 million this year alone, has said it will have to increase tuition again as soon as this winter if a state ballot initiative that would provide more funding fails to pass on Nov. 6.

"We tell them if you don't vote, you're literally going to be voting for a tuition increase," said Pedro Ramirez, a graduate student at California State-Long Beach who is working to rally student support for the ballot measure. He says he managed to finish his undergraduate degree from another CSU campus in Fresno last year without student loans — but not without credit card debt. Cal State-Long Beach's tuition of \$6,800 is below the national average, which helps explain why it got 78,000 applications last year, President King Alexander said. But prices are \$2,000 higher than two years ago, only partly offsetting cuts of \$4,000 per

student from the state, and have hit low-income students hard. (The CSU system is the nation's largest recipient of Pell Grants, which go mostly to students from families earning under \$40,000.)

The effects of rising tuition aren't always as straightforward as students hitting an unaffordable price point and giving up, though that happens, Alexander said. Rather, it's a more complex and destructive process. Fewer faculty means long wait lists for classes, keeping students from progressing. Students, meanwhile, spend more time at jobs and less time studying.

"You're seeing less students drop out because the aid is available, but you're seeing more students working, which also has the impact of slowing them down," Alexander said. "That really isn't good for society, because they should be done, and they're taking up extra slots."

Alexander said if current trends continue, states are on track to stop funding higher education entirely as soon as 2020. But he also said others aren't blameless — parents who assume colleges that don't charge much can't be very good, and colleges, particularly private ones, that have raised prices to increase their prestige, casting affordability concerns aside. According to The Chronicle of Higher Education, at least 123 colleges charge more than \$50,000 per year in combined tuition, fees and room and board.

"There are good payers, institutions, who've done a good job keeping it lower than most, and there are bad guys in this who haven't paid any attention to this whatsoever," Alexander said. Among other findings in the College Board's latest report:

- New Hampshire and Vermont have the highest published in-state tuition charges, at about \$14,000 each. Wyoming has the lowest at \$4,287, followed by Utah at \$5,595.
- The College Board's figures are comparable to other recent reports on rising student debt: About 57 percent of 2010-2011 bachelor's degree recipients graduated with debt, which averaged \$23,800. (Another report last week calculated figures about \$3,000 higher.) Of students who entered college in 2003-2004, only about 2 percent had more than \$50,000 in debt in 2009. Two-thirds of all students who entered that year had less than \$10,000.
- The percentage increases in costs at four-year public colleges have declined each of the last four years, but continue to race ahead of overall inflation — up 27 percent beyond inflation in the five years since 2007, compared to a 31 percent increase over the five years before that.

# COLUMBIA MISSOURIAN

## Bus routes change for MU's Homecoming festivities

By Justice Gilpin-Green

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**COLUMBIA — As part of MU's Homecoming festivities, imaginary dragons might actually make it harder for people in Columbia to get around.**

Well, not exactly. The band Imagine Dragons will headline an outdoor concert Friday on a portion of Rollins Street, between Hitt Street and Missouri Avenue. This area will be closed to traffic. The 107 FastCAT Express, day and evening route Tiger Line shuttles, and 207 and 208 Gold and 209 Black routes will be rerouted.

There will be a total of 11 routes detoured Friday.

Instead of catching a bus at the Rollins stop in front of the MU Student Center, passengers can catch one of these five detoured buses in front of the Mel Carnahan Quadrangle fountain:

- 107 FastCAT Express to downtown, Stephens College.
- 401 Tiger Line day route to Hearnes Center parking lot.
- 406 Tiger Line night route to south loop.
- 207 Gold to Campus View Apartments.
- 208 Gold to the Gateway at Columbia apartments.

These two detoured buses can be caught at the intersection of Hitt and Rollins streets:

- 404 Tiger Line night route to downtown.
- 405 Tiger Line night route to the Trowbridge parking lot and East Campus.

These four detoured buses can be caught at Virginia Avenue in front of the Gaines/Oldham Black Culture Center:

- 402 Tiger Line day route to the Trowbridge parking lot.
- 207 Gold to The Pointe at Rock Quarry Park.
- 208 Gold to Grindstone Canyon apartments.

- 209 Black to The Cottages of Columbia.

The 107 FastCAT will offer free rides Friday through Sunday.

On Saturday, from 10 a.m. until two hours after the game, the 107 FastCAT will be the only detoured bus, in an effort to reduce traffic congestion near the stadium. The bus will pick up passengers in front of the Student Center on Rollins Street.

The Farmers Market Shuttle will be delayed until 8:30 a.m. Saturday because of the Homecoming parade.

If passengers have questions or need help making transportation plans, they may call the Columbia Transit customer service line at 874-7282.

*Supervising editor is Scott Swafford.*

## **Anne Williams: Business Woman of the Year**

### **2012 Women in Business Award Recipients**



**Anne Williams**  
JobFinders Employment Services

Tuesday, October 23, 2012

**Anne Williams came to college at the University of Missouri and stayed. She worked in several positions, including as manager of an Elks Club and as a union worker.**

Eventually, Williams opened JobFinders Employment Services, on the premise that her type of company can be honest and ethical, yet successful. Originally, it was a one-person operation. Today, JobFinders employs seven inside staff members and 170 temporary staffers, and it fills a variety of "hard to fill" professional positions throughout the U.S. in engineering, administration, operations, health care and more.

Williams serves on the Columbia Chamber of Commerce Board of Directors, in Women's Network, on a United Way Leadership Team and with Junior Achievement, among others.