

***University of
Missouri Kansas
City (UMKC)***

Investigation into
Allegations raised
in Kansas City Star
Article “UMKC’s
Misleading March
to the Top”

January 28, 2015



Donald L. Cupps
Chairman of the University of Missouri System Board of Curators

and

Stephen J. Owens
General Counsel of the University of Missouri System

316 University Hall
Columbia, MO 65211

January 28, 2015

Dear Mr. Cupps and Mr. Owens,

Our Services were performed and this Report was developed in accordance with the October 15, 2014 addendum to our engagement letter dated November 25, 2013 and are subject to the terms and conditions included therein.

Our Services were performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, we are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through December 30, 2014. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report.

This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with, the University of Missouri. PwC disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than the University of Missouri.

Sincerely,

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP".

PricewaterhouseCoopers LLP

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1. Background

On July 26, 2014, the Kansas City Star (“KC Star”) published an article making numerous claims against the University of Missouri Kansas City (“UMKC”) that included influencing a research paper written by two Chinese visiting scholars that ranked UMKC and UMKC Professor Dr. Michael Song as the world’s number one research University and researcher in the field of innovation management, acquiring a \$32M donation from Henry Bloch based on exaggerated rankings information, and providing exaggerated and misstated data to the Princeton Review Board (“PRB”) and other rankings boards.

PricewaterhouseCoopers LLP (“PwC”) has been engaged by the Curators of the University of Missouri to perform certain limited agreed upon investigative procedures to gather facts related to the allegations raised in the KC Star Article. PwC understands that these facts will then be used by an Academic Consultant, who was separately engaged by the Board of Curators, in their efforts to determine the merits of the allegations raised by the KC Star article.

PwC has reviewed the KC Star article to identify allegations made by the KC Star and has been tasked with gathering facts related to these allegations. PwC will only be gathering the facts and will not be drawing any conclusions, or making any findings.

The research paper referenced above was written by two Chinese authors and was published in the March 2012 edition of the Journal of Product Innovation Management (“JPIM”). The authors were visiting scholars at UMKC from August 2010 to August 2011. Dr. Michael Song met the two visiting scholars in China sometime in 2007 when he was a specially appointed professor at Xi’an Jiaotong University from 2006-2010. The methodology employed by the authors of this study was brought into question by the KC Star article. As a result of the rankings paper, entitled ‘Perspective: Ranking of the World’s Top Innovation Management Scholars and Universities’, UMKC was ranked number one. Additionally, UMKC had three top 50 researchers ranked number one, number four, and number 50 according to the methodology employed in the rankings article. Additional facts related to the rankings article are listed in Section 3 of this report entitled: “2012 Perspective Article Ranking of the World’s Top Innovation Management Scholars and Universities”.

On August 30, 2011, Henry Bloch and UMKC entered into a financing agreement in which Henry Bloch would donate \$32M to fund the development of a new building on UMKC’s campus. This donation was made as a result of Henry Bloch’s desire to further the success of the Bloch School and have a new state of the art building to house the increasing enrollment of students. Additional facts related to the \$32M grant are listed in Section 3 of this report entitled “Additional Allegations”.

UMKC provides annual enrollment related data and other statistics to various rankings boards including the PRB and the United States Association for Small Business & Entrepreneurship (“USASBE”). UMKC’s Bloch School has received numerous awards from these ranking entities between 2009 and 2014. Additional facts related to the PRB and USASBE are listed in Section 3 of this report entitled “Additional Allegations”.

2. Procedures Performed

In conducting our analysis, PwC performed the following procedures:

- Pursuant to your request, we performed certain limited-scope integrity due diligence procedures.
- Collected and analyzed contemporaneous emails and other electronic documents from July 2010 through October 2014.
- Conducted interviews of relevant personnel and individuals including:
 - Author of 2007 JPIM Perspective Article
 - Former JPIM Editor
 - Retired Professor and Publication Founder
 - Former Business School Dean and Henry Bloch Endowment Foundation Board Member
 - Dean Emeritus and Henry Bloch Endowment Foundation Board Member
 - UMKC Associate Professor of Entrepreneurship and Innovation
 - JPIM Vice President (VP) of Publications
 - UMKC Former Dean
 - UMKC Professor of Strategy and Entrepreneurship
 - UMKC Professor & Former Regnier Institute of Entrepreneurship and Innovation (IEI) Director
 - Henry Bloch Endowment Board Chairman
 - UMKC Regnier IEI Managing Director
 - UMKC Bloch School Dean
 - UMKC Project Support Staff Member
 - UMKC Interim Entrepreneurship School Department Chair
 - Authors of the 2012 Perspective Rankings Article; declined to be interviewed by PwC but did agree to provide written responses to questions presented by PwC.
 - UMKC Chancellor
 - Princeton Review Board Director of Content Development
- Assessed various documents and other items including but not limited to:
 - 2012 Perspective Article authors Open Letter response to allegations made by the KC Star
 - Various KC Star articles
 - UMKC's Point by Point Response to KC Star Allegations
 - NY Times article: "M.B.A.'s Are No Longer One Size Fits All" – 11/6/2005
 - Various YouTube Videos related to UMKC and UMKC personnel

Confidential information for the sole benefit and use of PwC's Client.

University of Missouri Kansas City (UMKC) - Investigation into Allegations raised in Kansas City Star Article "UMKC's Misleading March to the Top"

PwC

- 2007 Rankings Article: “The World’s Top Innovation Management Scholars and Their Social Capital”
- 2012 Rankings Article: “Ranking of the World’s Top Innovation Management Scholars and Universities**”
- 2012 USASBE Executive Summary Submission for the National Model MBA Entrepreneurship Program Award
- 2013 Independent PDMA Investigative Report
- Princeton Review Board submissions from 2009-2014 for both graduate and undergraduate classifications.
- Select Exchange Visitor documentation and application forms to UMKC
- Conducted meetings with independent academic professional upon his hiring by the Board of Curators in order to set expectations and share in progress status updates.

Procedures not performed by PwC:

- An audit, review, or other attestation procedures over the financial statements of the University of Missouri.
- The interviews conducted were focused on obtaining information about the allegations raised in the Kansas City Star article.
- At the direction of UM System Administration, document collection was the sole responsibility of UM System IT personnel. PwC provided a list of custodians for UM System IT personnel to collect data from, but did not participate in or oversee the document collection process. PwC therefore relied upon the electronic data collected by UM System IT personnel.
- An investigation into additional matters beyond the scope of our engagement letter was not performed. Our investigation was limited to allegations raised in the KC Star article titled “UMKC’s Misleading March to the Top” dated 7/26/2014.
- Provide legal services or express a legal opinion of any kind.
- We did not perform a re-count of the 1,229 articles classified by the authors in their Perspective Article to establish if they were properly categorized. No analysis of the actual data utilized by the authors to compile their Perspective Article was performed by PwC.
- Our services do not include the provision of certified translations, and no member of our team is a language expert. PwC makes no representations regarding the accuracy of translations performed and does not accept any responsibility for errors contained therein.

3. Observations

3.1. 2007 Perspective Article “The World's Top Innovation Management Scholars and Their Social Capital”

In 2007, the JPIM published an article that ranked the top scholars in the field of innovation management. The article named Dr. Michael Song as the number one ranked scholar in the field of innovation management. The methodology employed by the author looked at the number of articles written in high profile and recognized journals in the field of innovation management and ranked authors on the amount of articles each had published in the respective journals. According to the author, his article focused mainly on the individual scholar and who they were rather than where they were at the time an article was written. The author did not rank universities.

3.1.1. Kansas City Star Allegation

1. "It was Song, Thieme said, who suggested he write that first paper for Anthony DiBenedetto, then JPIM's editor."¹

3.1.1.1. Facts Gathered

3.1.1.1.1. Interview with the 2007 Perspective Article Author

In our initial interview with the author on October 24, 2014, he informed us of the following:

- The former IEI Director provided him with the idea to write the rankings article “*The World's Top Innovation Management Scholars and Their Social Capital*”.
- The former IEI Director mentioned to the author that the JPIM editor at the time [no longer in that role] would be interested in a rankings article.
- The author sent his paper to the former IEI Director for editing prior to sending it to JPIM and believed this to be a normal process.
- The former IEI Director's edits were stylistic and not substantive in nature.
- The former IEI Director did not provide the author with the methodology to be used in this rankings article. For example, he did not suggest the journals to be considered or time period to be used.
- The author did not recall if the former IEI Director reached out to him to assist the authors of the 2012 Perspective Article with their updated rankings article.

After the initial interview with the author on October 24, 2014, he subsequently called PwC on November 4, 2014 to provide additional information.

¹ Kansas City Star Article dated 7/26/2014 “UMKC's Misleading March to the Top” page 12, paragraph 7

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- The author informed us that the former IEI Director may have reached out to him to assist with an updated rankings article, but the author was not interested due to the amount of time required to perform research.
 - Further, the author read PwC portions of an email, which he claimed was dated October 7, 2010, in which he wrote to the former IEI Director in response to a telephonic conversation they previously had.
 - In this email, the author informed the former IEI Director that he was “going to pass” on writing an updated rankings article.
 - The author cited research collection issues and lack of substance as his main drivers for not wanting to assist in writing an updated rankings article.
 - The author also mentioned that, according to the former IEI Director, he understood the former JPIM Editor wanted this article done quickly and the author did not have the time to devote to performing the necessary amount of research to get the rankings article done quickly.
 - The author informed us that there was no mention of anyone else already performing this research at the time of this interaction with the former IEI Director.
 - The author declined to provide a copy of this document to PwC and it was not discovered in our email collection and analysis.

3.1.1.1.2. Interview with the Former JPIM Editor

In our initial interview with the former JPIM Editor on October 29, 2014, he informed us of the following:

- As editor of the JPIM, he did not investigate the motivations for the author to write his Perspective Article as this was not part of his responsibilities as editor.
- There was nothing factually incorrect about the author’s article as it was a “strict count” and he fully disclosed the methodology employed.
- The former JPIM Editor did not recall the former IEI Director pitching the idea on the author’s behalf to write the article.

3.2. 2012 Perspective Article “Ranking of the World’s Top Innovation Management Scholars and Universities”

In the March 2012 edition of the JPIM, the former JPIM Editor published an article written by two Chinese scholars who visited UMKC from August 2010 to August 2011. The article ranked the world’s top scholars in innovation management as well as universities based on current faculty research capabilities in the field of innovation management.

3.2.1. Kansas City Star Allegation

1. "One concern the experts cited: a previously undisclosed relationship between the university and the study's Chinese authors."²

3.2.1.1. Facts Gathered

3.2.1.1.1. Interview with the Former JPIM Editor

In our interview with the former JPIM Editor on October 29, 2014, he informed us of the following:

- He was unaware the authors of the 2012 rankings article were former visiting scholars at UMKC at the time he received the article for review in September 2011.
- He was not pleased that he was not informed the authors were former visiting UMKC scholars at the time he received the rankings article from the former IEI Director and he would have preferred to have known this information.
- Knowing the authors were visiting UMKC scholars would not have influenced his decision on whether or not the study should be published. The Perspective rankings paper is a count of articles and "is what it is" and the counts would have been the same whether or not the authors were visiting scholars at UMKC.

3.2.1.1.2. Interview with the Former IEI Director

In our interview with the former IEI Director on November 19, 2014, he informed us of the following:

- The former IEI Director did not inform the former JPIM Editor of the authors' relationship with UMKC.
- The former IEI Director believed not informing the former JPIM Editor of the authors' experience at UMKC was normal and he saw no problem with not disclosing their experience as visiting scholars at UMKC.

3.2.1.1.3. Interview with the JPIM Vice President of Publications

In our interview with the JPIM VP of Publications on November 18, 2014, she informed us of the following:

- Knowing that a relationship existed between the former IEI Director and the authors of the 2012 Perspective Article would not have changed her position on the article since there was no "fatal flaw" in the methodology.

3.2.1.1.4. Interview with the 2007 Perspective Article Author

In our interview with the author of the 2007 Perspective Article on October 24, 2014, he informed us of the following:

² Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 2, paragraph 2

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- When writing his rankings article in 2007, he did not disclose any relationships with the former IEI Director or anyone he was affiliated with that was a ranked scholar due to the fact that it had no impact on the data. He did not believe disclosures of this type were important since the data stands on its own.

3.2.1.1.5. PDMA Independent Reviewer Report

The JPIM VP of Publications provided PwC with a copy of the PDMA Independent Review document. This independent review enlisted the services of three anonymous reviewers with expertise in both the publication and innovation management space. As it relates to this particular allegation, the reviewers made the following comments:

- Reviewer #1 stated that the authors' *"presence [at UMKC] would not necessarily concern me, since it would not necessarily introduce bias."*
- Reviewer #2 stated that *"if a JPIM editor receives an article constructed on one set of judgments that are clearly articulated in the submitted paper, he or she has no basis for excluding the article for publication in the Perspective section."*

3.2.1.1.6. Authors Open Letter response

The 2012 Perspective Article authors released an Open Letter in response to allegations made by the KC Star. As it relates to the above allegation, the authors stated the following:

- *"Regarding 'a previously undisclosed relationship between the university and the study's Chinese authors', the facts show that we could not and should not disclose any affiliations which would reveal the identity of the authors during the review processes."*
- *"In late 2011, Dr. Song suggested that we gave credits to UMKC by listing UMKC as an affiliation. We explained these reasons to Dr. Song and declined."*
- *"Counter to the speculative misleading statement, the academic "double-blind" review processes required that authors not disclose or include any information in the manuscripts that could possibly reveal the identity of the authors when submitting their studies for review."*

According to the former JPIM Editor, Perspective papers are solely reviewed by the editor and not subject to the typical double blind review of other research papers.

3.2.2. Kansas City Star Allegation

1. *"The Star has learned that the women, PianPian Yang and Lei Tao, arrived at Song's invitation and that Tan had signed off on visa request forms for them, according to the university system's assistant custodian of records."*³

³ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 11, paragraph 10

3.2.2.1. Facts Gathered

3.2.2.1.1. Interview with the Former IEI Director

In our interview with the former IEI Director on November 19, 2014, he informed us of the following:

- The claim made by the KC Star that the two authors arrived at UMKC on his invitation “could not be more wrong”.
 - The former IEI Director informed PwC that he recorded the conversation he had with the KC Star on this topic and that he knows he never made that statement. The recording was not played for or provided to PwC.
- All potential visiting scholars needed to go through the same application process in order to be accepted by UMKC. Additionally, as part of the process, scholars needed to receive approval from their own University. In the case of the 2012 Perspective Article authors, they also had to apply through a Chinese Scholarship Counsel in order to be eligible to come to UMKC.
- The 2012 Perspective Article authors also needed to provide a research plan as part of their enrollment process.
- The 2012 Perspective Article authors asked the former IEI Director while he was teaching at Xi’an Jiaotong University if they could attend UMKC as visiting scholars. He informed them that they would need to go through the application process.
- The former IEI Director informed us that once the 2012 Perspective Article authors were approved by the Chinese Scholarship Counsel, all of their expenses to attend UMKC as visiting scholars were paid for by Chinese government. No expenses were paid by UMKC.

3.2.2.1.2. Interview with the Former Bloch School Dean

In our interview with the former Bloch School Dean on November 18, 2014, he informed us of the following:

- It was inaccurate to state that he invited the 2012 Perspective Article Authors to UMKC since he “did not even know who they were prior to their arrival”.

3.2.2.1.3. J1 Exchange Visitor Program Request Form Paperwork and Application of 2012 Perspective Article Authors

- Data provided to PwC by UMKC shows that at least four individuals collectively signed documents that confirmed the 2012 Perspective Article authors were eligible to come to UMKC as visiting scholars. These documents were part of the University required process for the submission of any potential visiting scholar.

3.2.2.1.4. Authors Open Letter response

The 2012 Perspective Article authors released an Open Letter in response to allegations made by the KC Star. As it relates to the above allegation, the authors stated the following:

- *“The facts are that we had to apply to come to UMKC as visiting scholars. First, we had to make application to our university in China. Second, we had to write a research proposal as part of the application process. Third, we had to make an application to the China Scholarship Council (SCS). Fourth, we had to pass language proficiency tests.”*
- *“The characterization (explicit or implied) that Dr. Song or Dean Tan invited us to come to UMKC to write the ranking study was a factual error. The Star article chose to mislead so that it would provide the foundation for the conspiracy theories.”*

3.2.2.1.5. Authors Written Responses to PwC Requested Questions

PwC asked the authors, “Did you approach Dr. Song about becoming a visiting scholar at UMKC or did Dr. Song approach you? Did you consider and or apply to any other international universities? If so, which one(s)?”

In their response, the authors stated, “Yes, we approached Dr. Song and ask him how to apply for visiting scholars at UMKC. Dr. Song told us that we had to pass English exam and we had to apply for scholarships from China Scholarship Council. We did not consider any other schools.”

3.2.3. Kansas City Star Allegation

1. *"Song had been a specially appointed professor there from 2006 to 2010 while working full time at UMKC."*⁴

3.2.3.1. Facts Gathered

3.2.3.1.1. Interview with the Former IEI Director

In our interview with the former IEI Director on November 19, 2014, he informed us of the following:

- While attending a conference in China, he met a man who informed him that Xi’an Jiaotong University could use his assistance with teaching classes. He then met the Dean of the Xi’an Jiaotong University, who invited him to become a specially appointed professor.
- He was a specially appointed professor at Xi’an Jiaotong University from 2006-2010. As part of his responsibilities, he would visit the school usually “once a year” for anywhere from one week to 12 days during the summer.
- He received a paid honorarium for his services at Xi’an Jiaotong University and reported this income to UMKC.
- He visited Xi’an Jiaotong University during the month he was not required to be at UMKC so the trips did not interfere with his responsibilities at UMKC.

3.2.3.1.2. Interview with the Bloch School Dean

In our interview with the Bloch School Dean on December 4, 2014, he informed us of the following:

⁴ Kansas City Star Article dated 7/26/2014 “UMKC’s Misleading March to the Top” page 11, paragraph 11

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- Professors working in the Bloch School sign a 9 month annual contract. Any professor working in a Department Chair role is provided an additional \$24,000 yearly stipend and is expected to be available to handle their duties for 12 months of the year. One of the reasons for his decision to remove the Regnier Institute of Entrepreneurship and Innovation Department Chair was that faculty member's lack of availability due to extensive travel. The Bloch School Dean received numerous complaints from the faculty that the former IEI Director was unavailable when they needed him.

3.2.4. Kansas City Star Allegation

1. "From Yang, Arend learned in an email dated May 6, 2012, that DiBenedetto wasn't the only one who reviewed the paper before its publication. Song had too."⁵

3.2.4.1. Facts Gathered

3.2.4.1.1. Email Chain between a UMKC Professor and one of the 2012 Perspective Article Authors

PwC read an email communication between a UMKC professor of strategy and entrepreneurship and one of the 2012 Perspective Article authors dated May 6, 2012.

In the email, one of the 2012 Perspective Article authors stated, "We did provide our ranking results to Dr. Michael Song and Dr. C Anthony DiBenedetto, and discuss[ed] the strategy types with them."

3.2.4.1.2. Interview with the Former JPIM Editor

In our initial interview with the former JPIM Editor on October 29, 2014, he informed us of the following:

- There is nothing wrong with the former IEI Director reviewing the rankings paper before its submission. It is common in the academic world to seek out input from scholars with expertise in the field.
- As long as the former IEI Director's contributions were edits related to grammar and form rather than substance and methodology, then his reviewing of the article was fine in the editor's opinion.
- The former JPIM Editor has no reason to suspect the former IEI Director influenced the methodology that the 2012 Perspective Article authors employed in their rankings paper. If he suspected the former IEI Director influenced the methodology by instructing the authors on what journals or what time periods to use, that would have been cause for concern.

3.2.4.1.3. Interview with the JPIM Vice President of Publications

In our interview with the JPIM VP of Publications on November 18, 2014, she informed us of the following:

- If she knew the former IEI Director made edits related to grammar and style, this would not have impacted her decision on the acceptability of the rankings article.
- The former IEI Director ghost writing the 2012 rankings article would be cause for concern in her opinion. An undisclosed ghost author is a problem that would most likely lead to a retraction. The JPIM VP of

⁵ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 19, paragraph 4

Publications and her independent review boards found no evidence that the former IEI Director wrote the paper for the authors.

3.2.4.1.4. Interview with the Former IEI Director

In our interview with the former IEI Director on November 19, 2014, he informed us of the following:

- He provided input to the 2012 Perspective Article authors in relation to their rankings paper. He is not ashamed of giving his feedback to the authors and he did not view his assistance with the rankings paper as a problem.
- He acknowledged he was involved in the editing process of the rankings paper.
- He was very involved in helping clarify the strategy portion of the rankings paper, particularly as it related to UMKC and UMKC's strategy. He "may have written parts related to the strategy portion of the paper" beyond basic editing and grammatical changes.
- The research and the paper were largely complete when he first reviewed it and facilitated the process of providing it to JPIM. The initial feedback from JPIM was that the article was too long and it needed to be condensed and edited. He noted he assisted in the editing process.

3.2.4.1.5. Authors Written Responses to PwC Requested Questions

When asked, "Can you explain Dr. Song's role in reviewing or editing your 2012 rankings article", the 2012 Perspective Article authors stated the following:

- "Dr. Song emphasized the importance of accuracy of all research results. After he found out about the ranking article, Dr. Song indicated that if he was us, he would make sure that the results are absolutely 100% correct in the counting. At our request, Dr. Song also provided some minor copy-editing suggestions/changes in terms of grammatical errors and formatting."

3.3. Methodology of the 2012 Study

In the March 2012 edition of the JPIM, a Perspective⁶ paper that was written entitled 'Ranking of the World's Top Innovation Management Scholars and Universities' was published by the editor. The paper's purpose was to "extend Jeffrey Thieme's article 'PERSPECTIVE: The World's Top Innovation Management Scholars and Their Social Capital' published in 2007 in JPIM." The authors state that their research includes data on innovation management from articles published in two leading innovation management journals and eight top management and marketing journals during the past 20 years (1991-2010). The paper also states that it "classifies 1229 articles into 29 categories, revealing hot topics and future research directions." Thirdly, this paper stated that 1,718 innovation management scholars were ranked from their publications over the previous 20 years. Lastly, the paper states that it ranked 625 universities "in terms of their current faculty research capabilities in the field of innovation management." The following journals were selected as the top 10 relevant journals which the 2012 Perspective Article authors used to quantify their results:

⁶ According to PDMA.org, JPIM publishes "Perspective" articles which do not fit into the category of original research yet provide value to scholars and/or practitioners. Such submissions might include, but are not limited to, analyses of journals/scholars leading to ranking outcomes, application of theoretical principles to actual firm activities, and thoughtful essays. Manuscripts submitted for this category are also reviewed by the editor.

1. Journal of Product Innovation Management
2. IEEE Transactions on Engineering Management
3. Strategic Management Journal
4. Management Science
5. Administrative Science Quarterly
6. Academy of Management Review
7. Academy of Management Journal
8. Journal of Operations Management
9. Journal of Marketing
10. Journal of Marketing Research

3.3.1. Kansas City Star Allegation

1. *"To evaluate his concerns, The Star sought out independent experts, made them aware of the key circumstances behind the paper's publication and asked for their analysis....All agreed that the choice of journals used to count articles and the ranking method were curious. All commented critically on the co-authors' undisclosed affiliation with Song and UMKC."⁷ "It appears the study may have been structured in such a way to ensure that the Bloch School received the top ranking."⁸ "They [Yang & Tao] counted articles in 10 journals rather than Thieme's 14. And instead of 15 years, the time period was 20 years - again mirroring Song's years of writing journal articles....The result was clearly beneficial to UMKC and its faculty...It was misleading for Yang and Tao to say the journals they selected were similar to the ones used in the 2007 article."⁹*

3.3.1.1. Facts Gathered

3.3.1.1.1. Interview with the JPIM Vice President of Publications

In our interview with the JPIM VP of Publications on November 18, 2014, she informed us of the following:

- In order to retract an article, there must be either a "fatal flaw" in the methodology or academic misconduct. The role of Vice President of Publications required that she review any allegations that an article should be retracted. She reviewed the article and agreed that there was no "fatal flaw" in the methodology.
- The JPIM VP of Publications then escalated these allegations to the Committee of Publication Ethics ("COPE") and Wiley Publications for their review. According to the JPIM VP of Publications, neither COPE nor Wiley saw an issue with the methodology employed by the authors.
- After this analysis was complete, and no "fatal flaws" were found related to the methodology, allegations shifted to academic misconduct. As a result of these allegations, the JPIM VP of Publications made the decision to assemble a three reviewer investigative panel. This panel consisted of independent academic experts who never had any interaction with the former IEI Director or the authors of the rankings article. The three independent reviewers found no "fatal flaws" in the methodology employed by the authors.

⁷ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 20, paragraph 3-5

⁸ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 2, paragraph 3

⁹ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 14, paragraph 1-2, 6

3.3.1.1.2. PDMA Independent Reviewer Report

Reviewer #1, anonymous, stated the following:

- *“I see no fatal flaw in the methodology or analysis that would lead to retraction...The method described in the article provides a reasonable basis for the analysis.”*
- *“The decisions made by the authors are reasonable, although certainly alternative approaches could be constructed with different rules used to define the population.”*

Reviewer #2, anonymous, stated the following:

- *“The methodology is clearly defined for each of the various ratings provided. A review of the paper reveals that the authors clearly described each step of their process. There appears to be no doubt about what was done, and based on the methodology used it is likely that the same outcome would be obtained if the study were replicated. Of course if a different methodology were used, then it is possible that a different outcome might be found.”*
- *“Consequently, it is very difficult to criticize a methodology as right or wrong, per se, based on the judgment of its author(s). In part this is why “journals” exist – to promote the exchange of ideas and information so that they can be scrutinized and/or criticized to extend the base of knowledge.”*

Reviewer #3, anonymous, stated the following:

- *“The authors are clear regarding how their research was conducted. I believe that a very similar study could be duplicated using their research approach. To me, this is always a criterion of sound research design. Again, there are multiple ways to study scholarly impact/top scholars, etc.”*

3.3.1.1.3. Interview with the Former JPIM Editor

In our initial interview with the former JPIM Editor on October 29, 2014, he informed us of the following:

- To assess the article’s methodology, he reviewed the journals selected by the authors and noted that nothing looked odd and that the journals were in fact recognized as the top of their respective fields.
- There is no standard methodology to employ when deciding how to rank scholars or universities. The former JPIM Editor believed the methodology used by the 2012 Perspective Article authors was acceptable.
- It is “more typical” to have Universities ranked based on where scholars’ research was performed rather than where scholars currently are located, but that there was certainly value to ranking schools based on where professors currently teach.
- The former JPIM Editor stated that “the content is the content and it could not be more objective”. He believes that the authors performed the research correctly and he agreed with their results. He concluded that the methodology used by the authors was not only acceptable, but also valuable.

3.3.1.1.4. Interview with the 2007 Perspective Article Author

In our initial interview with the 2007 Perspective Article author on October 24, 2014, he informed us of the following:

- He did not believe there was an industry standard methodology to use when performing research related to a rankings article. Additionally, he did not believe there was an industry standard methodology to use for ranking universities or individual scholars.

3.3.1.1.5. UMKC Economics Professor's Point of View

An economics professor at UMKC who has written several books, had several articles published and has contributed numerous ranking related articles to the field of economics scholars, voiced his opinion on the matter to the KC Star. After the KC Star article on 7/26/2014 was released, the economics professor wrote an email to the KC Star reporters who were responsible for writing the story.

In the email dated 7/30/2014, the economics professor wrote to Kansas City Star reporters expressing his opinion to the allegations raised by the reporters. In his email, the professor responded to allegations surrounding the methodology employed by the 2012 Perspective Article authors in their rankings article. He stated that *"in national research assessment exercises carried out in the United Kingdom and elsewhere, the publications of an academic is credit to the institution where he/she is employed at the date of the assessment and not to the institution(s) where the academic was employed when the publication was published. Far from being unorthodox, the methodology used by Yang and Tao is quite conventional."*

3.3.1.1.6. Authors Open Letter Response

The 2012 Perspective Article authors released an Open Letter in response to allegations made by the KC Star. As it relates to the above allegation, the authors stated the following:

- *"We disclosed in full the methodology and the research design. The results were presented in the tables for anyone to evaluate. The limitations were stated in the publication. The choices of the journals were justified and disclosed on page 320 under 'Ranking Method'."*

3.3.1.1.7. Authors Written Responses to PwC Requested Questions

PwC asked the authors the following question:

- *"Did Michael Song encourage you to write the rankings update to Dr. Thieme's article with Dr. Thieme?"*
 - The authors responded by saying, *"No, our ranking article was written and related research was completed before we arrived UMKC in August 2010. After we informed Dr. Song the results of our ranking research, we asked Dr. Song to contact Dr. Thieme on our behalf to see if Dr. Thieme would either work with us or provide comments for our paper. We do not remember whether or not Dr. Song did."*

3.3.2. Kansas City Star Allegation

2. "The paper ranking UMKC No. 1 was not peer reviewed ahead of publication."¹⁰

3.3.2.1. Facts Gathered

3.3.2.1.1. Interview with the JPIM Vice President of Publications

In our interview with the JPIM VP of Publications on November 18, 2014, she informed us of the following:

- JPIM publishes three distinctly different types of papers including Perspectives, Double Blind Peer Reviews, and From Experience papers. Each type of paper follows a distinctly different review process. As it relates to the Perspective paper category, which the rankings article in question falls under, the review process is not subject to double blind review, but rather is up to the editor to decide if the article “contributes to the profession”.
- The editor decides if a Perspective paper is eligible for publication; however, the paper still undergoes a rigorous review process. In this instance, the process included the paper being sent to Wiley Publications for copy editing, then being returned to the authors for suggested edits. From the authors, the paper would then go back to Wiley publications for proofreading and additional edits multiple times until all parties involved, including the authors, the JPIM editor and Wiley Publications agree that the paper is ready for print.

3.3.2.1.2. Interview with the Former JPIM Editor

In our interview with the former JPIM Editor on October 29, 2014, he informed us of the following:

- The former JPIM Editor was the editor of JPIM during the time that the 2012 Rankings Article was published. He informed us that Perspective papers are not subject to double blind peer review but rather, a Perspective paper is at the editor’s discretion for publication. His goal, when reading the Perspective Article, was to decide if the paper presented a “unique contribution” to the field. His opinion is the rankings article did present a unique contribution.

3.3.2.1.3. PDMA Independent Reviewer Report

Reviewer #1 stated the following:

- “Since its inception, JPIM has sought to publish a series of non-reviewed manuscripts that fall into several categories: From Experience (typically authored or co-authored by practitioners) and Perspective (presenting novel ideas thought to contribute to our profession)....There is no restriction on whether the article is empirically based or not. So the absence of peer review for From Experience and Perspective articles is a long established tradition of JPIM and clearly declared. There is no ‘red flag’ since the criteria for publishing these types of articles are well established in the journal.”

¹⁰ Kansas City Star Article dated 7/26/2014 “UMKC’s Misleading March to the Top” page 20, paragraph 11

3.4. Additional Allegations

3.4.1. Kansas City Star Allegation

1. “In a 2010 video uploaded to YouTube, Song claimed the Bloch School had won accolades from The New York Times...In its formal response, UMKC said the IEI “as an entity has never made a claim of endorsement by The New York Times.”¹¹

3.4.1.1. Facts Gathered

3.4.1.1.1. New York Times Endorsement

According to the KC Star article, in a video uploaded by UMKC’s Institute for Engineering & Innovation, the former IEI Director made the claim that “we have been featured in the New York Times as one of the two national best models for entrepreneurship education”.

PwC discussed this New York Times reference with the former IEI Director who informed us of the following:

- His use of the word ‘best’ “was a poor choice” of words and acknowledged that he took responsibility for the error.
- UMKC sponsored the video and the former IEI Director was asked by a member of the Project Support staff to participate in the filming of the video.
- The speech was written by UMKC public relations personnel.

As a result of the video that was posted on youtube.com, the former IEI Director referenced an article where he believed the NY Times characterized UMKC as one of the best national models for entrepreneurship education.

- PwC read the article titled ‘M.B.A.’s Are No Longer One Size Fits All’ written by Sandra Salmans and posted in the New York Times on November 6, 2005. Within this article, Salmans’ only statement regarding UMKC stated, “The Henry W. Bloch School of Business and Public Administration at the University of Missouri, Kansas City, which has a strong emphasis on entrepreneurship, is adding a program in January in which student teams create and run their own companies for six months.”

3.4.1.1.2. UMKC Point by Point Response to KC Star Allegations

Within UMKC’s response to the allegations raised in the KC Star surrounding the Regnier Institute for Entrepreneurship and Innovation’s claims of endorsement by the New York Times, UMKC stated that “the institute makes no claims of endorsement on the page.” Additionally, UMKC stated “As for any off-the-cuff remarks Prof. Michael Song may have made verbally about the article, accidental misstatements are not uncommon, especially for people speaking a non-native second language. To our knowledge, the Regnier Institute for Entrepreneurship and Innovation, as an entity, has never made a claim of endorsement by The New York Times.”

¹¹ Kansas City Star Article dated 7/26/2014 “UMKC’s Misleading March to the Top” page 10, paragraph 5/6

3.4.1.1.3. Interview with a UMKC Project Support Staff Member

In our interview with a UMKC Project Support staff member on December 3, 2014, she informed us of the following:

- She never saw the YouTube video that the KC Star article mentioned in their article. The YouTube video was not completed by her events team and was most likely something that was compiled by the UMKC Media Services Team.
- The former IEI Director would often re-write the scripts that were provided to him and would also be the final approver on any video that was completed.

3.4.2. Kansas City Star Allegation

1. *"[Chancellor] Morton repeated the claim, documents show, as did the IEI in its successful 2012 application for an award from the U.S. Association for Small Business and Entrepreneurship."*¹²

3.4.2.1. Facts Gathered

3.4.2.1.1. USASBE Award

In 2012, the UMKC Institute for Entrepreneurship and Innovation at the Henry W. Bloch School of Management received an award from USASBE as the National Model MBA Entrepreneurship Program. PwC was provided with a copy of an Executive Summary that was compiled by the IEI's Managing Director and submitted to USASBE.

Within this Executive Summary document, the IEI's Managing Director made the following statements:

- *"In 2010-2011, the entrepreneurship emphasis area grew 158 percent, from 224 to 577 enrolled students. In addition to the 577 students formally enrolled for an MBA degree, we also serve 245 students pursuing graduate degrees in other schools, including UMKC's medical, dental, pharmacy, engineering, and law schools, as well as in the UMKC Music Conservatory, creating the diversity of perspectives so important to fostering an entrepreneurial mindset."*
 - When discussing the number of students that the IEI's Managing Director listed as formally enrolled for an MBA Degree, the former IEI Director stated that "the sentence stating MBA related students is wrong and should not be in this article". Additionally, the former IEI Director informed us that the 577 number related to all students in the Bloch School pursuing an MBA and not specifically those in the Entrepreneurship emphasis program.

3.4.2.1.2. Interview with the Former IEI Director

In our interview with the former IEI Director on November 19, 2014, he informed us of the following:

- Enrollment data was collected from the student services group and provided to him and the IEI's Managing Director in order to populate the rankings related documentation.

¹² Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 10, paragraph 10

- The number of students with an Entrepreneurial emphasis MBA degree would be between 50-100. The number increases to approximately 500 when including all students who take at least one class in entrepreneurship.

3.4.2.1.3. Interview with the Former Bloch School Dean

In our interview with the former Bloch School Dean on November 18, 2014, he informed us of the following:

- When the former Bloch School Dean was asked about UMKC's ranking in USASBE, he expressed great pride in UMKC's achievements. He was not involved in the collection of statistics that were provided to USASBE and informed us that he would have relied on the former IEI Director and the IEI's Managing Director's input for the applications.

3.4.2.1.4. Interview with the IEI's Managing Director

In our interview with the IEI's Managing Director on December 4, 2014, he informed us of the following:

- One of his responsibilities was to handle the submission of the 2012 USASBE application for the 'National Model MBA Entrepreneurship Program Award', which UMKC received accolades for. As part of his submission, he received enrollment data from the University's Institutional Research database and relied on the information without questioning it.
- Within the 2012 USASBE submission, the Executive Summary states "in 2010-2011, the entrepreneurship emphasis area grew 158 percent, from 224 to 577 enrolled students. In addition to the 577 students formally enrolled for an MBA degree, we also serve 245 students pursuing degrees in other schools". The IEI's Managing Director stated that the 577 students number provided to USASBE was "probably wrong" and that he could not calculate how that number came to be.

3.4.3. Kansas City Star Allegation

1. *"The Star found a pattern of exaggerations and misstatements that polished the school's reputation as it sought to boost enrollment and open donor' checkbooks."¹³ "Reporters found a number of other embellishments that boosted the Bloch School's reputation in recent years....Among them were inaccuracies and mischaracterizations of fact in the data the university supplied to the Princeton Review."¹⁴*

3.4.3.1. Facts Gathered

3.4.3.1.1. Princeton Review Board Rankings:

The UMKC Bloch School has received recognition from the Princeton Review Board (PRB) for the following¹⁵:

- UMKC Bloch School ranked in the top 25 for Graduate programs for Entrepreneurship in 2009
- UMKC Bloch School ranked #14 for Undergraduate programs for Entrepreneurship in 2011

¹³ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 2, paragraph 1

¹⁴ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 4, paragraph 2/3

¹⁵ All awards are listed on the University's webpage.

- UMKC Bloch School ranked #12 for Undergraduate programs for Entrepreneurship in 2012
- UMKC Bloch School ranked #19 for Graduate programs for Entrepreneurship in 2012
- UMKC Bloch School ranked #11 for Undergraduate programs for Entrepreneurship in 2013
- UMKC Bloch School ranked #20 for Graduate programs for Entrepreneurship in 2013

PwC interviewed various personnel to understand the facts as they relate to data submitted to the PRB for Undergraduate and Graduate school submissions from 2009 to 2014. PwC also analyzed documents provided by the IEI's Managing Director which he informed us were used in the submission process to the PRB for 2009-2014.

3.4.3.1.2. University Administration Awareness of Significance of Rankings

- In our interview with the former Bloch School Dean on November 18, 2014, he informed us of the following:
 - In his opinion, rankings were very important to Henry Bloch. PwC read the former Bloch School Dean an email dated 10/27/2011 from him to the former IEI Director and cc'ing the IEI's Managing Director, and two other UMKC Staff. Within this email, the former Bloch School Dean stated *"Henry Bloch gets very upset when our rankings go down. We must do everything we can to increase it when we can by all means necessary."* He claimed he was referring to maintaining high rankings in the Princeton Review and he was not referring to the 2012 Perspectives Article.
- In our interview with the UMKC Chancellor on December 10, 2014, he informed us of the following:
 - Rankings are "more of an academic issue" and he never talked in that level of detail with anyone who provided submissions to the PRB. The Chancellor recalled the former IEI Director and the former Bloch School Dean making him aware of rankings due to UMKC's desire to make public announcements regarding positive rankings.

3.4.3.1.3. Enrollment Data

As part of its ranking process, PRB issues a survey to be completed by universities. The data collected in the survey is the primary data PRB uses to compute the PRB's rankings. As it relates to University enrollment data, the PRB asks various questions related to formally enrolled students, graduation rates, and percentages of students who have started a business. Specifically, PRB asks the following questions:

1. *"What was the total formal enrollment (full time and part time) of your [undergraduate or graduate] entrepreneurship program for the [current] academic year?"* This question is asked in both the undergraduate and graduate surveys distributed by the PRB.

PwC analyzed the Graduate and Undergraduate submissions made by the former IEI Director, the IEI's Managing Director and the Regnier Institute's Interim Department Chair on behalf of UMKC's Institute for Entrepreneurship and Innovation Program at the Henry W. Bloch School of Management and noted the following:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Graduate	161	224	359	349	232	305
Undergraduate	24	99	438	454	544	600

- In our interview with the former IEI Director on November 19, 2014, he informed us of the following:
 - He wanted to better define the questions from the PRB as they appeared vague in certain areas. He reached out to the former Bloch School Dean and the Chancellor so that they could best understand how to most effectively answer the PRB questions. Beginning in 2011, he and the IEI’s Managing Director filled out the PRB survey based on what he, the former Bloch School Dean and the Chancellor decided was acceptable.
 - According to the former IEI Director, any student that is taking a class in entrepreneurship is “considered a formally enrolled student” regardless if Entrepreneurship is their MBA emphasis or not. He informed us that when students apply to the UMKC MBA program, they apply generally and do not have to select an emphasis area immediately.
- In our interview with the UMKC Chancellor on December 10, 2014, he informed us of the following:
 - The Chancellor was not intimately involved with the reporting of statistics to the PRB since it was “too in the weeds” for him and he relied on the former IEI Director and the former Bloch School Dean to handle the specifics. The Chancellor was never part of the rankings submissions or review process and he did not believe it was his place to make any judgments in this area.
 - The Chancellor never reviewed or saw the submissions that went to the PRB. He informed us that if he saw that the Bloch School was reporting 100% of students had started a business since graduation, he would have known that figure only applied to e-scholar students.
- In our interview with the IEI’s Managing Director on December 4, 2014, he informed us of the following:
 - He informed us that when he was tasked with handling the PRB submission, he reached out to the Director of Content Development from the PRB to get clarification on appropriate responses for certain questions. He informed PwC that the Director of Content Development at PRB’s response was to “interpret the questions” the way you want to.
 - He had conversations with the former IEI Director and the former Bloch School Dean regarding the information UMKC was submitting to the PRB and that they agreed on the definition of an entrepreneurship student. This definition included students that were part of the e-scholar program who, according to him, are “technically not enrolled students”. He does not believe the numbers UMKC provided to the PRB in this area were a fair representation of the true formally enrolled student population.
 - He discussed his concern over submitting what he believed to be “wrong” data to the PRB with the former IEI Director, but the former IEI Director informed him that the information was acceptable so he did not raise any additional concerns.

- When asked if UMKC was selectively using information in order to most effectively market the Bloch School, he replied, “That is fair, yes”. This information relates to the inclusion of e-scholar students in certain question responses and the exclusion of all formally enrolled students in other questions.
- In our interview with the current Bloch School Dean on December 4, 2014, he informed us of the following:
 - He personally reached out to someone at the PRB, who he believes may have been the Director of Content Development, in order to get clarification on expected responses for certain questions. He asked the PRB if UMKC could include certificate programs in their responses and the PRB said they would allow certificate programs in addition to degree programs. He also informed us that the PRB does not like to discuss details of the methodology they employ in creating their rankings.
 - He does not believe that students in the e-scholar program were formally enrolled graduate or undergraduate entrepreneurship emphasis students. He informed us that only “degree seeking” students should be considered formally enrolled students.
 - As it related to the 2011 Undergraduate student population listed as 438 students, he stated that number “isn’t right” and he could not explain how it came to be. He did not believe that the formal enrollment of students in the Entrepreneurship Emphasis program had reached such a high number and believed this number to be more in line with students taking an entrepreneurship class. He informed us that information provided to the PRB would have been much different if he had to fill out the submission himself.
 - He never asked to see the math on how numbers were calculated and submitted and that he was relying on his people to provide accurate information.
- 2. “What percentage of your total [undergraduate or graduate] student body (full time and part time degree seeking) was formally enrolled in your entrepreneurship program for the [current] academic year?” This question is asked in both the undergraduate and graduate surveys distributed by the PRB.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Graduate	17%	23%	81%	62%	62%	34%
Undergraduate	7%	23.2%	92.2%	64.5%	60%	40%

- 3. “What percentage of the total [undergraduate or graduate] student body (full time and part time degree seeking) was enrolled in an entrepreneurial-related course for the 2011-2012 academic year?” This question is asked in both the undergraduate and graduate surveys distributed by the PRB.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Graduate	Unknown ¹⁶	Unknown ¹⁷	Unknown ¹⁸	62%	62%	34%
Undergraduate	27%	35.5%	100%	64.5%	60%	40%

¹⁶ Data provided to PwC for 2009-2011 Graduate degree PRB submissions did not include responses for this question.

¹⁷ Ibid.

¹⁸ Ibid.

PwC analyzed the Graduate and Undergraduate submissions made by the former IEI Director, the IEI's Managing Director and the Regnier Institute's Interim Department Chair on behalf of UMKC's Institute for Entrepreneurship and Innovation Program at the Henry W. Bloch School of Management and noted the following:

- In our interview with the former IEI Director on November 19, 2014, he informed us of the following:
 - Any student enrolled in any entrepreneur related class or any student that was participating in the e-scholar program would count as a formally enrolled entrepreneurship program student. He did not find there to be a clear distinction between a student who is enrolled in an entrepreneur related course and a student who is formally enrolled in the entrepreneur program.
- In our interview with the IEI's Managing Director on December 4, 2014, he informed us of the following:
 - Any student taking a class in entrepreneurship was included in both the percentages of formally enrolled entrepreneurship program students as well as percentage of students taking an entrepreneurship related course. He did not agree with this methodology, but the former IEI Director informed him that this was how they were to present the information to the PRB.
 - He felt pressured by the former IEI Director to do things that were improper in relation to PRB submissions. He did not defend his position for fear of job security as well as wanting to follow the former IEI Director's vision for the Institute.
- In our interview with the Bloch School Dean on December 4, 2014, he informed us of the following:
 - In relation to the percentage of students formally enrolled in the entrepreneurship program being the same as the percentage of students being enrolled in an entrepreneurship related class from 2012 to 2014, he said, "There's no way I can say any of that makes sense".
- In our interview with Regnier Institute's Interim Department Chair on December 4, 2014, he informed us of the following:
 - He was responsible for filling out the 2014 PRB form and received approval from the Bloch School Dean prior to its submission. The Bloch School Dean informed him that it was acceptable to include e-scholars related information in his submissions.
- In our interview with the Director of Content Development for the PRB on December 19, 2014, he informed us of the following:
 - The PRB specifically asks two distinctly different questions and any student taking a class in Entrepreneurship would not count as a formally enrolled student in the Entrepreneurship program.
 - The PRB does not perform an audit of responses provided by any University. The PRB requests a signed affidavit from each University stating that the information they are providing is accurate. According to the PRB, these affidavits were signed by the former IEI Director in 2010 – 2011 and the IEI's Managing Director in 2012 – 2014.

- The PRB declined to perform a recalculation of prior year rankings based on data which accounted for the inclusion of all undergraduate and graduate students, as opposed to answers provided solely based on e-scholar students, as well as updated data on clubs and mentorship programs.

During our analysis of the former IEI Director’s emails, we discovered an email dated August 19, 2010 from him to the former Bloch School Dean and the Chancellor. Within this email the former IEI Director stated,

“We significantly increased the number of graduate students taking entrepreneurship graduate programs at UMKC (better than last year: from 161 to 224 graduate students. This is graduate level only and is good). However, this puts us at disadvantages in the following four of the important ranking variables:

- 1. For the last full academic year, what percentage of formally enrolled graduate entrepreneurship students have launched a business while at your school?*
- 2. Of that group of students, what percentage are still in business?*
- 3. For the most recent graduating class, what percentage of formally enrolled graduate entrepreneurship students have launched a business since graduating?*
- 4. Of that group of students, what percentage are still in business?*

While we also increased the number of students launching new businesses (the numerator), our increase in the denominator is at a faster rate (from 161 to 224). Therefore, our percentages suffered as a result.”

- In an email from the Chancellor to PwC on December 16, 2014, he informed us of the following:
 - A part of what the former IEI Director and the former Bloch School Dean were looking for was the Chancellor’s support to get mentors and others to provide seed funding for the program. The Chancellor informed us that he always used progress on their strategic plan, which called for various research related program developments, as a basis for his consideration.
- 4. *“For the last full academic year, what percentage of formally enrolled [undergraduate or graduate] entrepreneur students have launched a business while at your school?”* This question is asked in both the undergraduate and graduate surveys distributed by the PRB.

PwC analyzed the Graduate and Undergraduate submissions made by the former IEI Director, the IEI’s Managing Director and the Regnier Institute’s Interim Department Chair on behalf of UMKC’s Institute for Entrepreneurship and Innovation Program at the Henry W. Bloch School of Management and noted the following:

	2009	2010	2011	2012	2013	2014
Graduate	Unknown	Unknown	Unknown	50%	59%	10%
Undergraduate	25%	44%	100%	50%	59%	10%

- In our interview with the former IEI Director on November 19, 2014, he informed us of the following:

- Information for this specific question relates only to students who are enrolled in the e-scholar program.¹⁹ He used e-scholar data to populate both the undergraduate and graduate portion of this answer for their PRB submissions starting in 2011.
- As part of the e-scholar program, a completion requirement is that each student must create a new business model and prove to the review committee that the business is scalable and will launch within one year of graduation. He also informed us that some students successfully launch a business while in the e-scholar program, but he did not provide data to substantiate this statement.
- In our interview with the IEI’s Managing Director on December 4, 2014, he informed us of the following:
 - He was informed by the former IEI Director that it was acceptable to include e-scholar students in the submission for this answer at both the undergraduate and graduate level. He did not agree with this, but he submitted the answers anyway.
- In our interview with Regnier Institute’s Interim Department Chair on December 4, 2014, he informed us of the following:
 - As part of their submissions to PRB, they focused on e-scholar related students. He was informed by the Bloch School Dean that this was an acceptable practice. He informed PwC that submitting data related only to e-scholar students, which did not include the entire population of graduate and undergraduate students, “was not an attempt to be misleading”.
- In our interview with the Director of Content Development for the PRB on December 19, 2014, he informed us of the following:
 - E-scholar students would be allowed to be included in this response as the question does not clearly state “degree seeking” students. He informed us that the PRB is in the process of evaluating this question; however, UMKC’s use of only e-scholar students would not be acceptable.
- As part of PwC’s analysis of the submissions made by UMKC to the PRB, PwC noted that the response to this question in 2012 included a note from the former IEI Director for both the undergraduate and graduate submission that stated “*Relates to the Escholar class of 2012: 35 graduates / 70 admits*”.
 - This methodology of only including e-scholar related students was also employed in 2013 and 2014 for both undergraduate and graduate submissions to the PRB. UMKC’s submitted responses to the PRB did not include all formally enrolled graduate or undergraduate students, and was solely focused on data related to the e-scholar program.
- 5. “*For the most recent graduating class, what percentage of formally enrolled [undergraduate or graduate] entrepreneurship students have launched a business since graduation?*” This question is asked in both the undergraduate and graduate surveys distributed by the PRB.

PwC analyzed the Graduate and Undergraduate submissions made by the former IEI Director, the IEI’s Managing Director and the Regnier Institute’s Interim Department Chair on behalf of UMKC’s Institute for Entrepreneurship and Innovation Program at the Henry W. Bloch School of Management and noted the following:

¹⁹ Refer to section 3.4.3.1.6 for additional information related to the e-scholar program.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Graduate	Unknown	Unknown	Unknown	100%	100%	100%
Undergraduate	20%	29%	100%	100%	100%	100%

- In our interview with the former IEI Director on November 19, 2014, he informed us of the following:
 - He advised, after discussion with PwC related to the data UMKC provided to the PRB, that their methodology for providing the data to PRB “may be flawed” as it only included e-scholar related students and not the entire student population for each of their undergraduate and graduate programs.
 - UMKC’s submissions to the PRB for this question related solely to the prior years’ e-scholar’s class. Furthermore, the answer was related to only the portion of e-scholar certificate completing students who responded to the UMKC issued survey.
 - PwC walked through an example with the former IEI Director to better understand this methodology. He advised that if 50 students completed their e-scholar class, and 40 students responded to the UMKC survey asking if the student had launched a business since graduation, and all 40 students responded ‘yes’, that UMKC would populate the answer to this question as 100%. PwC noted that this number included only e-scholar students and did not include the degree seeking graduate or undergraduate students from UMKC.
- In our interview with the IEI’s Managing Director on December 4, 2014, he informed us of the following:
 - The information he provided to the PRB for this question starting in 2012 relied solely on e-scholar related students. He believed that this data was a “misrepresentation” of the actual Bloch School’s statistics and the data UMKC was providing to the PRB was “inconsistent”.
- In our interview with Regnier Institute’s Interim Department Chair on December 4, 2014, he informed us of the following:
 - UMKC does not receive data on all students who have graduated from UMKC so they rely on information provided by the e-scholar certificate students rather than the graduate and undergraduate degree students.
 - UMKC does not track data on graduating students very well at both the undergraduate and graduate degree level.
- In our interview with the Bloch School Dean on December 4, 2014, he informed us of the following:
 - A UMKC Professor of strategy and entrepreneurship raised questions surrounding the PRB submissions in 2012 and at that point, he had a meeting with the former IEI Director to better understand the submissions. PwC showed him an email in which he stated, “*To be honest I understand the faculty concern over the numbers because I can’t explain them either.*” He informed the former IEI Director that the numbers he was seeing did not accurately reflect his image of the entrepreneurship department. The former IEI Director informed the Bloch School

Dean that the responses to the above question were related to the e-scholar program which was not part of the University database.

3.4.3.1.4. Clubs

As part of its ranking process, PRB issues a survey to be completed by universities. The data collected in the survey is the primary data PRB uses to compute the PRB's rankings. In the survey the PRB asks, "How many officially-recognized clubs/organizations do you offer that are specifically for entrepreneurship students?" This question is asked in both the undergraduate and graduate surveys distributed by the PRB.

PwC analyzed the Graduate and Undergraduate submissions made by the former IEI Director, the IEI's Managing Director and the Regnier Institute's Interim Department Chair on behalf of UMKC's Institute for Entrepreneurship and Innovation Program at the Henry W. Bloch School of Management and noted the following:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Graduate	3	4	29	28	29	5
Undergraduate	3	4	28	27	29	5

- In our interview with the former IEI Director on November 19, 2014, he informed us of the following:
 - He defined a club as a "special interest group of people that get together to discuss emerging issues related to their ventures". He informed us that a club and a special interest group were the same thing in his opinion and that these groups could consist of as few as three people.
 - In order to complete the e-scholar class, all students must participate in a club.
 - The clubs related to e-scholar students did not have dues, scheduled meetings, meeting minutes or designated roles in the typical style a university recognized club would have.
 - He instructed a graduate student to publish various new clubs on the University's website. The former IEI Director did not believe the amount of clubs listed on the PRB submissions was overstated.
 - Each e-scholar class created new clubs each year which is why the number of clubs changed and the links to their websites on the University's page needed constant updating.
 - He considered a club as "officially recognized" if a student informed him of the groups' existence. He did not require any other explanation or verification.
 - A graduate level club could include undergraduate and e-scholar students as well as an undergraduate club could include graduate level students and e-scholar students which is why the number of clubs at both the graduate and undergraduate level is around the same number.
- In our interview with the IEI's Managing Director on December 4, 2014, he informed us of the following:

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- He had a meeting with the former IEI Director sometime in 2012 where the former IEI Director put together a “wish list” of clubs that the University should have. The former IEI Director then instructed a UMKC Graduate student to populate these clubs onto the University’s webpage.
 - In his submissions to the PRB, he used the clubs existence on the University’s webpage as the only proof the club existed.
 - He believes these additional 20+ clubs never actually existed at UMKC.
 - He noted in UMKC’s 2014 submission to the PRB, the number of clubs dropped drastically due to scrutiny that resulted from the KC Star article and that UMKC wanted to pay more attention to their responses. He actively sought out clubs rather than relying on the information posted on the University’s webpage.
 - In our interview with Regnier Institute’s Interim Department Chair on December 4, 2014, he informed us of the following:
 - A UMKC graduate student informed him that the former IEI Director instructed him to create websites for clubs and that the clubs did not really ever exist.
 - He believed 29 clubs never existed at the University in any capacity. He stated that “there is no defending that number”
 - He ordered that clubs he could not verify be taken down immediately from the University’s webpage in March 2014.
 - He advised that in his discussions with the IEI’s Managing Director surrounding lowering the number of clubs from 29 to 5 that the Managing Director did not argue with him.
 - In our interview with the Bloch School Dean on December 4, 2014, he informed us of the following:
 - He was not involved in the submissions to the PRB until sometime in 2012 and that he was not actively participating in collecting information that would be submitted to the PRB.
 - He held discussions with the former IEI Director regarding the number of clubs at the University. The former IEI Director informed him that he and the former Bloch School Dean agreed on the number of clubs at the University and initially the Bloch School Dean relied on the former IEI Director’s input.
 - He went on to state that he was unsure how the PRB defined a club, but upon closer analysis felt that the former IEI Director was not being upfront with him. The Bloch School Dean could not claim that the former IEI Director wasn’t trying to purposely frame data submitted to the PRB so that it best reflected on the University.
 - He stated that he “could not trust” [the former IEI Director]” and that he questioned the way certain answers were provided to the PRB when the former IEI Director and the former Bloch School Dean were providing the PRB with data.
 - In our interview with a UMKC Professor of strategy and entrepreneurship on November 18, 2014, he informed us of the following:

- There were never 29 clubs posted on the UMKC Roo website, which is a site for current and perspective students to seek out information related to the University.
- In a recent faculty meeting, he posed the question to see how many faculty members believed the University had 29 clubs and the former IEI Director was the only one who believed that to be true.
- In our interview with the Director of Content Development for the PRB on December 19, 2014, he informed us of the following:
 - The number of clubs reported being the same at both the undergraduate and graduate level would not raise concern since it is his assumption that students at both levels could participate in a club.
 - He defined a club as officially sponsored and sanctioned by the school and informed us that a club would not be considered for their purposes if it is not officially recognized and sanctioned by the school.
 - He did not recall having a conversation with the IEI’s Managing Director regarding the definition of a club and noted that he would never have told anyone “it’s up to you” to decide what a club is.

3.4.3.1.5. Mentorship Programs

As part of its ranking process, PRB issues a survey to be completed by universities. The data collected in the survey is the primary data PRB uses to compute the PRB’s rankings. As it relates to University Mentor Programs, the PRB asks, “How many officially-sponsored mentorship programs do you offer specifically for entrepreneurship students?” This question is asked in both the undergraduate and graduate surveys distributed by the PRB.

PwC analyzed the Graduate and Undergraduate submissions made by the former IEI Director, the IEI’s Managing Director and the Regnier Institute’s Interim Department Chair on behalf of UMKC’s Institute for Entrepreneurship and Innovation Program at the Henry W. Bloch School of Management and noted the following:

	2009	2010	2011	2012	2013	2014
Graduate	1	2	38	78	78	33
Undergraduate	1	1	39	78	78	33

- In our interview with the former IEI Director on November 19, 2014, he informed us of the following:
 - The number of available mentors for students in the e-scholar program was the best way to represent the available programs to perspective students. He noted that the number of mentorship programs available increased to as many as 78 due to a matrix that he created in which 130+ mentors were placed into 38 industry specific horizontals and 40 business function specific verticals. He believed that since UMKC had over 130 mentors with various expertise’s, they all fit into different programs that UMKC could use to better answer this specific PRB question.
- In our interview with the IEI’s Managing Director on December 4, 2014, he informed us of the following:
 - He did not agree that UMKC offered 78 unique mentorship programs, but rather one large program with many different functional areas. He advised that at the absolute most, if UMKC

broke out their mentors into broad dimensional focuses, they would have five or six programs and 78 was never a reasonable number.

- When he raised concern over the number of mentorship programs to the former IEI Director, the Director stated “this is what people do”. For this reason, he agreed to provide submissions as stated in the chart above.
- In our interview with the Bloch School Dean on December 4, 2014, he informed us of the following:
 - The e-scholar program was designed so that students have a multitude of available industry and business functionality specialists to help guide them. The former IEI Director created a grid with these functionalities and created a program for each one.
 - The number of programs in their submissions to the PRB “sounded high”; however, he did not know exactly how the PRB defined a mentorship program.
 - He did not provide authority to the former IEI Director to submit the PRB responses and that it was “pretty clear” that the former IEI Director was defining things in a way that was “not consistent with the way the normal person would”.
- In our interview with Regnier Institute’s Interim Department Chair on December 4, 2014, he informed us of the following:
 - The e-scholar program included 139 mentors in the most recent year and that these mentors have expertise in various functional and industry areas. The numbers provided to the PRB related to this question in 2011, 2012 and 2013 were very high and that currently UMKC most likely has two unique programs at the most.
 - The 33 mentorship programs submitted to the PRB in 2014 is “wrong” and that if he evaluated his answer to that question today, he “wouldn’t do that now” since he has a better understanding of the mentorship programs.

3.4.3.1.6. E-scholar Program

In 2009, UMKC created an e-scholar certificate program with a mission to provide promising entrepreneurs with the support and resources needed to launch scalable, sustainable, and successful ventures. The program was designed and started by the former IEI Director with the help of the former Bloch School Dean and has ranged in length from four months in its first year, to a one year program, to its current nine month duration. The program was initially only available to UMKC formally enrolled students, but the criteria changed in 2011 to allow the general public to apply. Applicants are not required to have an undergraduate degree or any form of previous education as the program is designed for entrepreneurs. Currently there is a one-time fee of \$500 for each venture and scholarships are offered to cover the majority of the students’ costs. Any UMKC student who is accepted into the program is eligible for up to six hours of undergraduate or graduate course credit if certain conditions are met.

The e-scholar program is not a University recognized certificate program or an undergraduate or graduate degree seeking course. It is an Institute for Entrepreneurship and Innovation certificate program.

- In our interview with the former IEI Director on November 19, 2014, he informed us of the following:

- He confirmed that students who complete the e-scholar program are not receiving a degree from UMKC, but rather a certificate of completion from the Regnier Institute of Entrepreneurship and Innovation.
- Initially, he could not distinguish if an e-scholar student was an undergraduate or graduate level UMKC Bloch School student. He chose to use solely e-scholar related data to provide answers to the PRB for several questions at both the undergraduate and graduate level.
 - For several of these questions, including the percentage of students who launched a business while in school and the percentage of students in the most recent graduating class who launched a business, UMKC provided the same response at both the undergraduate and graduate level.
- He considers an e-scholar student working on an e-scholar graduate certificate as a formally enrolled graduate student.
- In our interview with the IEI's Managing Director on December 4, 2014, he informed us of the following:
 - In his 2014 submission to the PRB, he provided information related to the e-scholar program that included enrollment data from 2011-2014. Within this data, it shows that the number of e-scholar graduates from 2011 to 2014 was 32, 39, 42, and 30 respectively.
 - Several questions on the PRB submission for both formally enrolled undergraduate and graduate related students were based solely on e-scholar students. He advised that an e-scholar student is not a formally enrolled graduate or undergraduate student.
- In our interview with the Bloch School Dean on December 4, 2014, he informed us of the following:
 - E-scholar students should not be included in any PRB designated question that includes the language "formally enrolled" since e-scholar students are not formally enrolled.
 - In a conversation with the PRB, he was informed that for the purposes of the PRB's questions, UMKC could include e-scholar certificate students in their population. He did not ask any additional questions related to this topic.
 - UMKC responded to the following PRB questions by including only e-scholar related students while not including the entire population of undergraduate and graduate students in their response starting in 2011:
 - "For the last full academic year, what percentage of formally enrolled undergraduate entrepreneurship students have launched a business while at your school?"
 - "Of that group of students, what percentage are still in business?"
 - "For the most recent graduating class, what percentage of formally enrolled graduate entrepreneurship students have launched a business since graduating?"
 - "Of that group of students, what percentage are still in business?"

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- In our interview with Regnier Institute’s Interim Department Chair on December 4, 2014, he informed us of the following:
 - E-scholar students are not counted as formally enrolled graduate or undergraduate students. UMKC used e-scholar related information for answering certain questions in the PRB form at the direction of the Bloch School Dean based on his conversation with PRB.
 - In our interview with the Director of Content Development for the PRB on December 19, 2014, he informed us of the following:
 - Based on the information provided by UMKC and the manner in which PRB asked the question, UMKC’s use of only e-scholar students would not be acceptable. If the most recent graduating class consisted of 600 students and 30 e-scholar students, PRB would want this answer to be for the entire group of graduates and not solely the 30 e-scholar students.

3.4.3.1.7. Potential Impact of Inaccurate Data on PRB Rankings

- In our interview with the Director of Content Development for the PRB on December 19, 2014, he informed us of the following:
 - He would not disclose the PRB methodology regarding the weighting of each unique data point.
 - He did advise that a shift in one data point, even going from 100% of graduating students launching a business within one year of graduation to 0%, would not change the overall outcome of the 2014 ranking of UMKC’s programs due to PRB’s process which includes evaluating 40 data points.
 - Any information provided by a University which showed data related to certificate programs would be evaluated on a case by case basis by the PRB editorial team consisting of five to seven members; however, UMKC’s use of only e-scholar students would not be acceptable.
- On December 18, 2014, the Henry Bloch Endowment Board Chairman provided a copy of an email from one of the authors of the Kansas City Star article to Henry Bloch dated July 22, 2014. Within the email, the co-author stated:
 - *“We at the Star interviewed dozens of people inside and outside UMKC for our story. The Star also reviewed thousands of pages of internal UMKC documents obtained through an open-records request, as well as information from other sources.”*
 - *“We found a number of other embellishments that boosted the Bloch School’s reputation in recent years”.*
 - *“Among them were inaccuracies and mischaracterizations of fact in the data the university supplied to the Princeton Review in the past several years. None of our research suggests that this would have changed the rankings, but we did discover a disturbing pattern of padding”.*

3.4.4. Kansas City Star Allegation

1. *"The \$32 million gift, which came a few months before the No. 1 ranking, was the largest in UMKC history. And it was one, [Henry] Bloch told The Star, that he doubts he would have made absent the other rankings that were coming the school's way."*²⁰

3.4.4.1. Facts Gathered

3.4.4.1.1. Henry Bloch Foundation \$32M Grant

On August 30, 2011, Henry Bloch and the University of Missouri Kansas City entered into an agreement to fund an addition to the Henry W. Bloch School of Management to be called "Bloch Hall". The announcement was made public on September 16, 2011.

In our interview with the Henry Bloch Endowment Board Chairman on November 17, 2014, he informed us of the following:

- Rankings are important to Henry Bloch.
- Henry Bloch was originally unsure as to why he needed to be the party responsible for funding a new building at UMKC. Henry Bloch questioned why someone else could not provide the funding including other donors, the State, or even the University.
- He recalled a meeting that the Henry Bloch Endowment Board had in which an endowment board member stated that if the enrollment numbers kept increasing, the school needed a building to house the new students. He also recalled that this board member informed the Endowment Board about his experience at the Olin School at the University of Washington in St. Louis and how he believed they owed their success to their new building. It was at this moment that Mr. Henry Bloch decided that he wanted to make the donation.
- Henry Bloch's primary motivation to donate funds to UMKC was not rankings. It was the comment made by the endowment board member about needing a new building to house the new students.

In our interview with an endowment board member on November 14, 2014, he informed us of the following:

- It was his mentioning of UMKC needing a new building to house their increasing enrollment that was the driving motivation for providing the gift and that it was not rankings. He recollected that this mentioning occurred at an Endowment Board meeting sometime in the spring of 2011.
- Rankings were important to Henry Bloch and he believed that became the case when the former Bloch School Dean came to UMKC in August 2009. However, he reiterated that the decision to donate the \$32M to finance the new building was made before the 2012 JPIM article was published and before anyone on the board was aware of its existence.
- The board member believed the decision to provide the \$32M was because Henry Bloch wanted the school to continue down a successful path and that rankings were not a driving factor.

²⁰ Kansas City Star Article dated 7/26/2014 "UMKC's Misleading March to the Top" page 5, paragraph 6