



November 30, 2018

Higher Learning Commission
230 South LaSalle Street
Suite 7-500
Chicago, IL 60604

Dear President Gellman-Danley:

I am in receipt of your letter dated November 13, 2018 proposing a "Governmental Investigation" designation for the University of New Mexico. I appreciate the opportunity to reiterate our institutional commitment to financial and ethical integrity. I also appreciate your invitation to discuss the proposed designation with Dr. Sweeney, and I understand that our Chief Legal Counsel and Associate Provost for Curriculum and Assessment had a productive call with Dr. Sweeney and her staff this morning. Based upon the report I received of that conversation, I want to reiterate that UNM is desirous of and will cooperate fully regarding the additional inquiry Dr. Sweeney suggested HLC can do to clarify the institution's involvement in the ongoing criminal investigation which prompted your letter.

As you are aware, the Attorney General for the State of New Mexico is pursuing a criminal investigation of a former employee of the University, Paul Krebs, who served as Director of the Department of Intercollegiate Athletics. UNM became aware of the Attorney General investigation of Paul Krebs in January of 2018 and is fully cooperating with the investigation, which is focused on a 2015 donor golf trip to Scotland led by Mr. Krebs. The UNM production of records cited on the first page of the September 6, 2018 Transparency Report specifically refers to the documents produced in the course of the Krebs investigation months prior to the publication of the report. The recent execution of a search warrant that garnered newfound media attention is not a separate matter from the ongoing criminal investigation of the 2015 trip. Because the Attorney General's office has recently affirmed to UNM legal counsel that no UNM employees it has requested to interview are subjects of the investigation, we were surprised by HLC's statement that the Attorney General has indicated that the University itself cannot be excluded from the investigation. As was discussed on the call this morning, to the best of its knowledge, the University is unaware that the investigation at issue is broader or different in scope than the Krebs inquiry or that the University itself is being investigated. We appreciate the HLC's willingness to inquire further into this issue before making a decision on the designation.

The Attorney General's Transparency Report also refers generally to concerns about UNM's fiscal management and transparency, and I want to emphasize that these are the concerns we are addressing with central oversight, audit, restructuring, and new leadership. We take seriously the Higher Learning Commission's broad concerns that the University did not provide sufficient oversight of financial practices in the athletics department. UNM has taken full responsibility for departmental mismanagement prior to 2017 and has implemented measures to ensure soundness and transparency moving forward. These measures, including centralization of the department's fiscal services in UNM's Academic Affairs, regular audit, and hiring of a new director, are detailed in our letter to the HLC of August 1, 2018. Notably, the University just received HLC's Analysis yesterday (attached letter dated 11/29/18) of this Interim Report which indicates that "The University of New Mexico interim report provides clear evidence confirming that the institution has taken measures to address issues identified

in the March 21, 2018 HLC Action Letter with regard to the results of the special audit of the University of New Mexico conducted by the New Mexico Office of the State Auditor."

In closing, assuming the facts relating to the investigation are as the University believes—that the investigation at issue focuses on an individual and not the University as a whole—we believe that the Governmental Investigation designation for the institution as a whole is not warranted and would unfairly stigmatize the University. At the same time, we clearly acknowledge the importance of assuring the public, the state, and the Higher Learning Commission that we are executing on reforms to ensure transparency and compliance. We look forward to providing the HLC with the full records of our audit and fiscal reorganization of the Department of Intercollegiate Athletics.

Very Truly Yours,

A handwritten signature in black ink that reads "Garnett S. Stokes". The signature is written in a cursive style with a large initial "G".

Garnett S. Stokes
President