

UCLA AUDIT & ADVISORY SERVICES



Mark Krause
Associate Vice Chancellor
Chief Compliance & Audit Officer

10920 Wilshire Boulevard, Suite 700
Los Angeles, California 90024-1366
310 • 794-6110
Fax: 310 • 794-8536

June 23, 2023

SENIOR VICE PRESIDENT/CHIEF COMPLIANCE & AUDIT OFFICER ALEX BUSTAMANTE
EXECUTIVE VICE CHANCELLOR AND PROVOST DARNELL HUNT:

Re: UC Systemwide Donations Review #23-4004

Introduction and Background

As part of the annual fiscal year 2022-2023 audit plan, Audit & Advisory Services (A&AS) completed a retrospective review of undergraduate admissions for the 2020-21 and 2021-22 academic years, donations to UCLA, and Senior Management Group (SMG) personnel data to identify undergraduate admissions decisions that could have been influenced by donations or relationships to a SMG member. This review was initiated in response to a recommendation from the June 2019 systemwide internal audit of undergraduate admissions.

Objectives and Scope

The objective of this review was to perform data analytics to identify undergraduate admissions decisions that could have been influenced by donations to UCLA or the applicant's relationship to an SMG member.

The scope of the review included the following:

- Donations received by UCLA during the period January 1, 2019 through November 30, 2022.
- SMG personnel active from January 1, 2019 through October 24, 2022.
- Applications for undergraduate admission submitted from November 1, 2019 through March 31, 2022 for the 2020-21 and 2021-22 academic years (date range includes both the regular and late application periods).

Approach

To conduct this review, A&AS performed the following procedures:

- Obtained a dataset of donations received during the audit period.
- Obtained a dataset of local SMG personnel active during the audit period.
- Obtained a dataset of applications for undergraduate admission submitted during the audit period.
- Performed data analysis to identify admissions of applicants who may be related to donors who made cumulative donations of \$10,000 or more and/or SMG personnel active during the audit period. Data fields compared across datasets to identify matches included all or a subset of the following:
 - Names of donors and donors' spouses
 - SMG employees and/or SMG employees' spouses
 - Names of admitted students and parents

June 23, 2023

Page 2

- Addresses
- E-mail addresses
- Phone numbers
- Foundations or businesses with the same name as the admitted student
- Campus ID number

The donations portion of the analysis was limited to cumulative matching donations of \$10,000 or more received during the audit period.

- Reviewed data trends and other available information to assess the risk of questionable admissions decisions (i.e., those at risk of being influenced by donations or applicant's relationship to an SMG member) for the matches identified. Criteria/factors considered as part of this assessment included all or a subset of the following:
 - Dollar amount of the donation
 - Pattern or timing of giving
 - Applicants admitted by exception
 - Applicants admitted to a school with impacted majors
 - Applicants who were recommended for admission on the basis of special talent
 - Lack of participation in the activity for which the application was recommended
 - Low application review scores/ratings
 - Department or program to which donations have been directed as well as their specified purpose

Overall Conclusion

A&AS' analysis identified 106 cases of admissions of applicants who may be related to donors who gave a cumulative amount in excess of \$10,000 during the audit period. Of the 106 admission cases, 33 were duplicate cases¹ that were previously identified and referred to the LDO during the prior year review, and 73 were new cases identified as part of the current review. No applicants who may be related to SMG personnel were identified.

¹ Duplicate matches were identified due to overlap in data from the prior audit. For each duplicate match, A&AS re-performed the risk assessment and considered any new information such as additional donations.

SENIOR VICE PRESIDENT/CHIEF COMPLIANCE & AUDIT OFFICER ALEX BUSTAMANTE
EXECUTIVE VICE CHANCELLOR AND PROVOST DARNELL HUNT

June 23, 2023

Page 3

The detailed results of the risk assessment performed for all 106 admission cases will be provided in a separate file to the Locally Designated Official for review and prioritization of further analysis and/or investigation.²

Respectfully,

MARK KRAUSE

Mark Krause
Associate Vice Chancellor
Chief Compliance & Audit Officer

cc: C. Kramer
C. Norlin
T. Whalen

230623-3
COR

² Referral to the Locally Designated Official for further analysis is not necessarily indicative of improper influence or inappropriate activities associated with the admissions decision.