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Debera J. Puckett, CCR# B1188                      March 28, 2011

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3 APPEARANCES OF COMMITTEE MEMBERS:

4 Leon McGinnis, Ph.D -- Chair  
5 Linda Viney, Principal Research Engineer  
6 Sigrun Andradottir, Ph.D.  
7 Sean Thomas, Research Technologist II  
8 John Marshall, Esq., Panel Advisory Counsel

9 -----  
10 APPEARANCES OF COUNSEL:

11 On behalf of the  
12 Georgia Institute of Technology:

13

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21 Rebecca S. Mick, Esq.  
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16 Also present: Patrick Jenkins, Associate Director of  
17 Internal Auditing, Client Representative

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18 On behalf of Joy Laskar, Ph.D:

19 Craig M. Frankel, Esq.  
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25 -----

5

1  
2 Also present: Hugh Hudson, Ph.D.  
3 American Association of University Professors

3 - - -

4 CHAIRMAN MCGINNIS: Good morning,  
5 everybody. My name is Leon McGinnis and I am  
6 the Chair of the hearing committee. What I  
7 thought we would do is just for preliminary make  
8 sure that everybody knows who the people around  
9 the table are. So if we could just give some  
10 introductions. Like I said, I am Leon McGinnis.

11 MS. VINEY: I am Linda Viney.  
12 MS. ANDRADOTTIR: Sigrun Andradottir.  
13 MR. THOMAS: Sean Thomas.  
14 MR. JENKINS: Pat Jenkins.  
15 MS. SENTZ: Jessica Sentz.  
16 MS. WASCH: Kate Wasch.  
17 MR. GILLEN: Craig Gillen.  
18 DOCTOR LASKAR: Joy Laskar.  
19 MR. FRANKEL: Craig Frankel.  
20 MS. GILBERT: Leanne Gilbert.  
21 MS. MICK: Rebecca Mick.  
22 MR. HUDSON: Hugh Hudson.  
23 MR. MARSHALL: John Marshall.  
24 CHAIRMAN MCGINNIS: Okay. This

25 hearing is a statutory requirement at Georgia

6

1 Tech as part of a dismissal process. The  
2 function of the Committee is to make a  
3 recommendation to the President regarding the  
4 charges that have been sent forward both by  
5 Dr. May and reviewed by the appropriate  
6 Institute Committee.

7 The intent of this Committee is to give

8 both sides a fair and equal chance to make their  
9 case. The Committee has no predisposition other  
10 than to listen to both sides and render a  
11 decision based on the facts that we hear.

12 There is a list of essentially five charges  
13 in the letter from Dr. May. Some of these --  
14 well, there are five charges. There's obviously  
15 a lot of material here. And I hope that the  
16 material that gets presented is directly related  
17 to the five charges. So if you guys need to  
18 distill some of this down in your presentations,  
19 that would not be a problem for us at all as  
20 long as we can stick to the charge to the  
21 Committee which is to listen to the facts about  
22 these five charges. So with that unless anybody  
23 else has something they want to add, I think the  
24 Committee is ready to go.

25 All right. Ms. Wasch, do you want to call

7

1 your witness.

2 MS. WASCH: Ms. Jilda Garton. Thank  
3 you.

4 CHAIRMAN MCGINNIS: While she's coming

5 in, I will just point out that the Committee  
6 does have the opening statements. So we've had  
7 a chance to read those.

8 JILDA GARTON

9 having been duly sworn, was examined and deposed as  
10 follows:

11 EXAMINATION

12 BY MS. WASCH:

13 Q Good morning, Ms. Garton.

14 A Good morning.

15 Q Will you introduce yourself to the  
16 Committee, please.

17 A Yes. My name is Jilda Garton. And I am  
18 Associate Vice President for Research and General  
19 Manager of GTRC and GTARC.

20 Q What is your educational background,  
21 Ms. Garton?

22 A I earned my Bachelors degree from  
23 Vanderbilt University -- go Commodores -- and I did  
24 my graduate work at Louisiana State University and,  
25 where I majored in zoology.

8

1 Q And did you ever do any research in those



2 roles or --

3 A Yes.

4 Q -- working toward your degrees?

5 A After leaving graduate school, I worked in  
6 the Department of Veterinary Science at Louisiana  
7 State University for four years doing work on  
8 paratuberculosis and mycoplasma diseases in chickens  
9 and in cattle. And when my husband accepted a  
10 post-doctorate at Stony Brook, we moved to New York  
11 and I worked in the Department of Chemistry doing  
12 physical biochemistry working with  
13 genetically-engineered bacteria that over expressed  
14 the ribosome initiation factors.

15 Q How did you end up on the research  
16 administration side of that?

17 A My husband accepted a faculty position at  
18 Ohio State University and we moved to Columbus, Ohio.  
19 And I taught school for a while, but then I had the  
20 opportunity to move, go to work for Ohio State  
21 University. And given my background in funded  
22 research all those years working on other people's  
23 grants and marking up proposals and that sort of  
24 thing, I had an opportunity to take an administrative

25 position at the Research Foundation at Ohio State.

9

1 So I moved to the dark side and became an  
2 administrator.

3 Q How many years have you been a research  
4 administrator?

5 A It will be twenty years May 1st.

6 Q How many of those years have been at  
7 Georgia Tech?

8 A 13.

9 Q Can you explain to those of us who may not  
10 know, what is GTRC?

11 A GTRC is a not-for-profit corporation. It  
12 is an affiliate of Georgia Institute of Technology.  
13 It was created back in 1937 to do the  
14 externally-sponsored research funding for Georgia  
15 Tech. It administers all the grants and contracts  
16 for Georgia Tech, and it is also the technology  
17 transfer agent for Georgia Tech.

18 Q Are you familiar with the Georgia  
19 Electronic Design Center or GEDC?

20 A Yes.

21 Q What is it?

22 A It's an interdisciplinary research center.

23 Q Are there rules about how to set up a  
24 research center at Georgia Tech?

25 A Yes. There is a center manual that sort of

10

1 summarizes all of those rules. I think it is  
2 available. Well, there it is.

3 Q Is this the manual you are referring to?

4 A Yes.

5 MR. FRANKEL: I would object to  
6 talking about this manual. This is a 2006  
7 manual. Ms. Garton had, had in interviews with  
8 the audit team had said that Georgia -- GEDC is  
9 grandfathered out of these rules and they don't  
10 apply to them. And the audit report concluded  
11 also that these rules don't apply to the GEDC  
12 because it predated and they're grandfathered  
13 out. Because they're grandfathered out, I could  
14 hardly see how the relevance could be as to  
15 following or not following.

16 MS. WASCH: If I can ask Ms. Garton  
17 two more questions, I think we can respond,  
18 though, to the claim that the GEDC was

19 grandfathered out of these rules and that they  
20 were in place at the time GEDC was established.

21 CHAIRMAN MCGINNIS: Is there any  
22 direct evidence that shows that, that it was  
23 grandfathered out? Is there a memo or anything  
24 like that?

25 MS. WASCH: Not that I'm aware of, but  
11

1 that is Mr. Gillen's claim, not mine.

2 MR. FRANKEL: My name is Mr. Frankel,  
3 by the way.

4 MS. WASCH: I'm sorry.

5 MR. FRANKEL: That's okay.

6 MR. GILLEN: It is my name as well.

7 MS. WASCH: Dr. Laskar's claim.

8 MR. FRANKEL: I mean we have in the  
9 audit report, and I can show it to you, where  
10 they say they are grandfathered out. We have in  
11 Dr. -- is it doctor? In Ms. Garton's witness  
12 interview where she says they're grandfathered  
13 and that was one of her concerns.

14 MS. WASCH: There is no audit report.

15 MR. FRANKEL: I'm sorry. The

16 preliminary report that hasn't been finalized.

17 CHAIRMAN MCGINNIS: Is this  
18 preliminary report going to be discussed later?

19 MS. WASCH: Not by us.

20 CHAIRMAN MCGINNIS: Is this going to  
21 be part of your presentation?

22 MR. FRANKEL: No. I'm just going to  
23 show you where it says they were grandfathered  
24 out.

25 MS. WASCH: And I am going to object

12

1 to any review of this exhibit because you are  
2 asking for Larry Webster, Larry Webster used to  
3 work here as an auditor. He doesn't work here  
4 anymore. He retired. This is not an audit  
5 report and it is not a conclusion of any kind.  
6 Mr. Webster is not here to testify to it.

7 CHAIRMAN MCGINNIS: Okay. So let's  
8 proceed with the questioning of Ms. Garton.

9 MR. FRANKEL: Can I point out that the  
10 GEDC Lessons Learned document which came from  
11 Georgia Tech says that the GEDC was  
12 grandfathered out of the center policy. That's

13 a quote.

14 CHAIRMAN MCGINNIS: And what document  
15 is this?

16 MR. FRANKEL: That is a  
17 lessons-learned from part of the audit of the  
18 GEDC.

19 MS. WASCH: It's part of the audit  
20 work papers.

21 MR. FRANKEL: It's part of the audit  
22 work papers that were produced.

23 MS. WASCH: It is not a conclusion by  
24 the audit.

25 MR. FRANKEL: It is a lessons-learned

13

1 document that says that the GEDC was  
2 grandfathered out of the center policies.

3 MS. WASCH: Why don't I ask Ms. Garton  
4 whether that's true.

5 Q (By Ms. Wasch) Was GEDC grandfathered out  
6 of the policies applicable to setting up research  
7 centers?

8 A The, the manual that we are talking about  
9 here is a compilation of existing rules and best

10 practices. So I don't understand what is meant by  
11 GEDC being grandfathered out of any particular rules.  
12 The rules for administering externally-sponsored  
13 research haven't changed. And the funding, the  
14 membership funding for GEDC is just that,  
15 externally-funded research.

16 Q Now, this document is dated 2006, but how  
17 long have these rules been in place?

18 A These rules have been in place, we operate  
19 under the cost principles of, of A21 and A110. A21  
20 was last changed by the federal government in 1993, I  
21 believe. So these rules for administering sponsored  
22 research funding have been pretty consistent since  
23 very early '90s.

24 Q Do GTRC and the -- I'm sorry.

25 Did we talk about the office of sponsored

14

1 programs?

2 A No, not yet.

3 MR. FRANKEL: Can I ask just for my  
4 own, make it easy. When we use a document,  
5 could you tell us the GT number because there's  
6 no exhibit numbers in your notebook.

7 MS. WASCH: Yeah, I'll try. This is  
8 actually GT triple, triple zero one.

9 MR. FRANKEL: Just to help us so we  
10 would know which documents it is.

11 MS. WASCH: Yeah. I'm sorry.

12 Q (By Ms. Wasch) Can you explain, please,  
13 the purpose of the office of sponsored programs?

14 A Yes. The office of sponsored programs is  
15 an organization that supports our faculty in  
16 developing their research proposals and submitting  
17 them to the sponsor. It is the responsibility of the  
18 office of sponsored programs to review proposals, the  
19 proposal budgets, the documentation that goes along  
20 with the proposal when it is submitted to the  
21 sponsor, review sponsor regulations, that sort of  
22 thing.

23 When the proposal is submitted, make sure  
24 that the budget conforms to the usual cost categories  
25 and the cost principles that apply to the budgets and

15

1 then yeah, signs off on that proposal and submits it  
2 to the sponsor. It's OSP's responsibility to  
3 negotiate awards with the sponsor. When the award is



4 negotiated, the terms and conditions finalized, the  
5 office of sponsored programs establishes that project  
6 in the accounting system, in the, in the Georgia Tech  
7 accounting system and establishes a project number so  
8 that the faculty members can go ahead and start  
9 spending.

10 Q Do GTRC and the office of sponsored  
11 programs oversee gifts to research centers?

12 A No, we do not.

13 Q What is the difference between a gift and a  
14 grant?

15 A A gift is a, well, there you have the, I  
16 think, believe this comes from the sponsored programs  
17 funding -- or sponsored programs policies and  
18 procedures manual.

19 Q I'm sorry. This is GT0130.

20 A A gift is a no-strings-attached gift. It  
21 is a gift to, usually to the Georgia Tech Foundation  
22 and it may be for a, a particular area of research,  
23 but there are no terms and conditions associated with  
24 it. It is spent through the Institute's accounting  
25 system on things that are allowable for gift

1 expenditures. And it is, you know, just like any  
2 other present, a gift from a donor to a recipient.

3 A sponsored research agreement or a grant  
4 has terms and conditions. Usually there's an  
5 established budget. There may or may not be specific  
6 deliverables. There is usually a report required,  
7 but there is generally some sort of term and  
8 condition, reporting obligation or deliverable  
9 associated with a grant.

10 Q Does this document, GT130, accurately  
11 describe the differences between a gift and a grant?

12 A Yes, I believe it does.

13 Q Do GTRC and OSP oversee sponsored research  
14 --

15 A Yes. Well, OSP is an administrative arm.  
16 The expenditures of funds and the conduct of research  
17 is under the responsible control of the faculty at  
18 Georgia Tech. The principal investigator is the,  
19 primarily responsible for overseeing that the funds  
20 are spent for allowable things, for things that are  
21 allocable to that specific project and that the  
22 expenditures are reasonable. OSP and GTRC handle the  
23 administrative aspects of it. Getting prior

24 approvals from sponsors for specific changes for  
25 making certain adjustments to the budget, if the

17

1 funds need to be moved from one category to another,  
2 things like that. But the actual expenditures are  
3 under the control of the faculty member and need to  
4 comply with the rules of grant and contract  
5 accounting.

6           After that budget is established in the  
7 Institute accounting system, the faculty go about  
8 their research business, they appoint students, they  
9 buy equipment, they pay for materials and supplies,  
10 they conduct the research. Every month grants and  
11 contracts accounting accumulates all those costs and  
12 sends out two bills. One's to GTRC and one's to the  
13 sponsor in the name of GTRC. At the end of the  
14 month, GTRC pays Georgia Tech for all the costs and  
15 the associated overhead for the research that was  
16 conducted and essentially carries the flow. GTRC  
17 collects the money from the sponsors. So in that  
18 sense, we oversee the collections of the funds.

19           Q     Does GTRC or does OSP handle membership  
20 fees --

21 A Yes.

22 Q -- for research centers? And did OSP help  
23 to set up GEDC?

24 A Yes. OSP worked with GEDC on creating the  
25 membership agreement, the bylaws, that sort of thing.

18

1 Q And do all research centers have membership  
2 contracts and bylaws?

3 A All membership centers do not have  
4 membership agreements and bylaws. But not all  
5 members -- not all centers have members in the sense  
6 that GEDC has members. A number of them do. The  
7 large interdisciplinary centers do.

8 Q If we can look at Georgia Tech 57. It's  
9 GT. Can you tell me what this is? You can't see it.

10 A Yeah, I can see it.

11 Q It says Georgia Electronic Design Center  
12 Bylaws.

13 A Yes. But it appears to be the bylaws for  
14 GEDC.

15 Q It is GT57. And can you please look at  
16 GT61.

17 A I believe this is it.

18 Q Can you tell me what this document is?

19 A This is GT57. This is the bylaws.

20 Q The bylaws. There we go. All right.

21 GT61.

22 MR. FRANKEL: I'm sorry. I didn't  
23 hear the number. 61?

24 MS. WASCH: We were stuck on 57 for a  
25 while. This is 61.

19

1 Q (By Ms. Wasch) Okay. Can you tell me what  
2 this document is?

3 A This is, appears to be a membership  
4 agreement for GEDC for, the agreement members would  
5 sign when they become a member of GTRC.

6 Q What do center members get in return for  
7 their membership fees?

8 A In, it depends on the center and the  
9 bylaws, but in general center members gain an  
10 opportunity to interact with faculty and students who  
11 are doing cutting edge research at Georgia Tech.  
12 They're looking at the latest research results, the  
13 newest publications in the field. They gain an  
14 opportunity to meet students that they might recruit.

15 They get an opportunity to talk about really  
16 interesting problems and suggest areas of research  
17 because industry experiences a, experiences problems  
18 that academics might not be aware of. And so gives  
19 companies an opportunity to tell academia what the  
20 problems are and get them to work on it.

21 They gain in many of the membership centers  
22 like GEDC access to the intellectual property that  
23 results and nonexclusive right to use some of the  
24 results that, that come out of that research at the  
25 center, that sort of thing.

20

1 Q Do center members get access or use of all  
2 facilities or equipment in a center?

3 A Access is not use.

4 Q What's the difference?

5 A In the sense that people come in and use  
6 the equipment and facilities for company business.  
7 If a center wants to provide that kind of use of its  
8 facilities to any third party, then it needs to  
9 establish a cost center so that the Institute can be  
10 paid for the use of those equipment and facility  
11 items.

12 Q Does Georgia Tech have a policy on cost  
13 centers?

14 A Yes.

15 Q If you look at --

16 A As a matter of fact.

17 Q -- GT19, is this that policy?

18 A Yes, it appears to be.

19 Q And do we have other rules about how  
20 start-up companies -- look at GT89. There you go.

21 Can you identify this document, Ms. Garton?

22 MR. FRANKEL: 89?

23 MS. WASCH: GT89.

24 Q (By Ms. Wasch) It's an e-mail from you and  
25 Steve Fleming.

21

1 A Well, it's an e-mail from Stephen Fleming

2 --

3 MR. FRANKEL: I'm sorry. What was the  
4 cost center document?

5 MS. WASCH: The cost center document  
6 was GT19.

7 MR. FRANKEL: GT19 isn't the cost  
8 center document. It's, that is part of the

9 center manual. That is a part of the center  
10 manual, this GT19.

11 MS. WASCH: Do we have the wrong  
12 number? We will fix that. I will find that  
13 number in just a moment.

14 Q (By Ms. Wasch) If we can look at this  
15 GT89. It is an e-mail from Stephen Fleming?

16 A Yeah. It's an e-mail from Stephen Fleming  
17 to, I -- well, it says to himself. But it describes  
18 the policies and procedures for the use of university  
19 facilities and resources by start-ups.

20 Q Do you know why this was sent in May of  
21 2010?

22 A I believe it was because we were asked a  
23 number of questions. And folks wanted us to clarify  
24 and make sure that those policies and procedures were  
25 articulated for people who were asking those

22

1 questions.

2 Q Can we please look at GT64.

3 Ms. Garton, can you take a look at this and  
4 tell me is this a standard membership agreement for  
5 GEDC?



6 A No, it is not.

7 Q How is it different?

8 A The membership agreement directs, appears  
9 to have been changed. The payment instructions  
10 reference a SunTrust bank account and GTRC doesn't  
11 have a SunTrust bank account.

12 Q Let's go back to talking generally about  
13 GEDC. Were you concerned about GEDC's finances?

14 A I, I was not alone in being concerned by  
15 GEDC's finances, but yes.

16 Q Why were you concerned?

17 A GEDC experienced several cost overruns and  
18 un-billable amounts, so that raised concern for me.

19 Q And what did you do about it?

20 A Well, we worked with the center for a  
21 period of at least two years, probably a little  
22 longer, on trying to understand and resolve the cost  
23 overruns the GEDC had experienced.

24 Q Were you able to do that?

25 A No, we, we were not. We, we had some

23

1 success, but in general, no, we were not successful  
2 in addressing those cost overruns.

3 Q Look at GT84. If you would look at the  
4 document marked GT84.

5 MR. FRANKEL: That is not GT84.

6 MS. WASCH: That's not GT84?

7 Q (By Ms. Wasch) Go to the bottom of the  
8 page. It's GT85.

9 Do you recognize this document?

10 A Could you scroll down a little bit, please.  
11 This is like a number of reports the GEDC prepared  
12 describing how the center was planning to raise money  
13 primarily through philanthropy to address one of the  
14 cost overruns and that was the cost overrun on the  
15 Samsung-funded project.

16 Q Let's talk about overruns for a second.  
17 What is a cost overrun?

18 A A cost overrun occurs when the costs  
19 incurred on a project exceed the amount budgeted for  
20 the project, the amount the sponsor has agreed to  
21 pay. So your costs exceed your available revenue or  
22 budget.

23 Q Are cost overruns permissible?

24 A They are permitted for short periods of  
25 time and in a managed sort of way. Again, the

1 research at Georgia Tech is under the control of the  
2 faculty. And often the faculty are working with a  
3 sponsor and they know that the sponsor intends to  
4 increase the scope of work of a project and add funds  
5 to it. Research is an iterative process. You don't  
6 know what you're going to discover until you discover  
7 it. And that might be an exciting finding that's  
8 going to lead the sponsor to add funds to a project  
9 and follow on.

10 Also, sometimes sponsors commit to make an  
11 award but don't actually get the paperwork so us for  
12 some period of time. So yes, cost overruns are  
13 permitted in a managed sort of way, but the unit is  
14 working at risk when its costs exceed its budget.

15 Q You mentioned Samsung, Samsung cost  
16 overruns. How large was that overrun?

17 A In the end, I believe it was close to  
18 \$2.3 million.

19 Q Were there any other cost overruns that  
20 concerned you?

21 A Yes. There were, the first was a cost  
22 overrun by Pirelli, those folks that make the tires.

23 That one was about \$200,000. And then there was a  
24 cost overrun or an un-billable amount for the  
25 National Semiconductor funded membership.

25

1 Q What happened on the Pirelli cost overrun?

2 A Well, that was one where we worked with  
3 Dr. Laskar for a period of time on that one.

4 MR. FRANKEL: I do want to kind of  
5 object. The overruns, these alleged overruns  
6 are not part of the charges. They have nothing  
7 to do with the termination of Dr. Laskar. I'm  
8 kind of curious why we were going into them.

9 MS. WASCH: I was going to address  
10 them briefly because of the fact the cost  
11 overruns were the reason that the internal audit  
12 team was called in to look at all of the GEDC  
13 finances.

14 CHAIRMAN MCGINNIS: All right. So --

15 MS. WASCH: And that was, I don't plan  
16 to spend a lot of time on it.

17 CHAIRMAN MCGINNIS: As long as we are  
18 not going to spend a lot of time on it.

19 MS. WASCH: No.

20 CHAIRMAN MCGINNIS: I think you have  
21 established cost overruns.

22 Q (By Ms. Wasch) What did you do when you  
23 found out about these cost overruns?

24 A Well, we looked into them. We worked with  
25 the, the, with GEDC to address the Pirelli. We ended

26

1 up writing that one off because it was clear that  
2 Pirelli wasn't going to increase the amount they paid  
3 to Georgia Tech for that work.

4 With National Semiconductor, that was one  
5 where we looked into it over a period of time and we  
6 were unable to resolve the un-billable amounts that  
7 were showing on, on GTRC bills to the Institute with  
8 the fact that National Semiconductor appeared to have  
9 already paid the Foundation for those memberships.  
10 So when our accountants looked at it, the grants and  
11 contracts accountings, accountants looked at it and  
12 we conferred with the Georgia Tech Foundation, it  
13 appeared that the funds had gone to GEC's, or to the  
14 GEDC's funds for that National Semiconductor  
15 membership had been paid to the Foundation and spent  
16 out of the Foundation while the accounts were

17 established in GTRC into the memberships. So it  
18 appeared that the money had been spent twice.

19 Q What did you do about that?

20 A Well, that looks like a monumental  
21 accounting error, yeah, sort of just we couldn't  
22 figure that out. So my recommendation was to, to  
23 Dr. Allen that we needed to hand this over to  
24 internal audit so they could sort out where the money  
25 was and straighten it all out.

27

1 Q GT89, do you recognize this document?

2 MR. FRANKEL: What number are we on?

3 MS. WASCH: GT89.

4 THE WITNESS: Do I recognize it?

5 Q (By Ms. Wasch) Yes.

6 A Yes. I was copied on this e-mail from Mark  
7 Allen to Phil Hurd, who's the director of internal  
8 audit, essentially telling him that I had, yeah,  
9 there was this National Semiconductor matter and that  
10 we were unable to resolve it and asking them to look  
11 at it.

12 Q Let me go back to one other issue.

13 Does Georgia Tech have a policy on

14 conflicts of interest?

15 A Yes.

16 Q Let me add GT132.

17 And is this that policy?

18 A Yes, it seems to be.

19 Q Did you ever review Dr. Laskar's conflict  
20 of interest forms?

21 A I don't remember reviewing his forms, per  
22 se. Those forms are generally reviewed at the school  
23 level and I, I don't recall specifically looking at  
24 that form.

25 Q Are you a member of the conflict of

28

1 interest Committee?

2 A Yes.

3 Q Did that Committee ever review any  
4 conflicts of interest submitted by Dr. Laskar?

5 A I don't recall that being referred to the  
6 Committee by the school.

7 Q And did you ever ask Dr. Laskar about his  
8 relationship to Sayana Wireless?

9 A Yes, I did.

10 Q Go to GT74, please.

11                   And is this the response that you got from  
12                   Dr. Laskar on that?

13                   A     Oh, yeah, it looks like I do have a copy of  
14                   the form too. Sorry. I just couldn't find it at the  
15                   moment and visualize it. Yes, I did. I asked about  
16                   his relationship with Sayana because I was aware that  
17                   Sayana was going to become a member of GEDC. And we  
18                   were negotiating on an end license of some software  
19                   that we were making available to, that the licensor  
20                   of that software was going to make available to  
21                   certain companies in ATDC. And so it occurred to me  
22                   to ask what Dr. Laskar's relationship was at that  
23                   time.

24                   Q     And this was the answer that you got?

25                   A     Yes, it is.

29

1                   MS. WASCH: Thank you. Your witness.

2                   EXAMINATION

3                   BY MR. FRANKEL:

4                   Q     Let's just start backwards. Looking at  
5                   that document that is sitting right there, Dr. Laskar  
6                   said "I am founder and chairman of Sayana Wireless,  
7                   which is a VentureLab company."



8 A Uh-huh (affirmative).

9 Q Did you say, did you ever follow up with  
10 Dr. Laskar and say that was incomplete information  
11 and you needed something more?

12 A What it told me is that there is no overlap  
13 of personnel and that it implied to me that, that he  
14 has no research programs with GT and that he was  
15 following all the guidelines that were in place. So  
16 no, I didn't follow up with him on that.

17 Q But let me, let me ask my question clearly.  
18 I apologize if I wasn't clear.

19 A Uh-huh (affirmative).

20 Q I wasn't asking you about the other  
21 paragraph. I was asking you specifically about where  
22 he said "I am a founder and chairman of Sayana  
23 Wireless, which is a VentureLab company."

24 Do you see that?

25 A Yes.

30

1 Q Did you follow up and say that's  
2 inadequate, I need more information?

3 A I do not believe that I did, so no, I did  
4 not.

5 Q And you see at the bottom, there's an  
6 attachment. It is not actually here, but it says,  
7 and if you look at it, it is GT74. And it is in your  
8 notebooks if you want to look because I don't have  
9 them all on a screen for their exhibits. And you'll  
10 see that that's talking about a conflict of interest  
11 form for 2010, right?

12 A Yeah.

13 Q So now we are talking not about a conflict  
14 of interest issue in 2007, 2008 or 2009, right?

15 A Yes.

16 Q Did you ever look at forms prior to 2010?

17 A I don't remember doing that.

18 Q You do understand that Dr. Laskar is not  
19 accused of doing wrong with his conflict of interest  
20 form for 2010?

21 A If you say so, yes.

22 Q Okay. And Dr. May is the person who is  
23 responsible for reviewing conflict of interest forms  
24 in his department?

25 A The school chair has the primary

1 responsibility, yes.

2 Q And he would be the one primarily  
3 responsible in the ECE department for Dr. Laskar?

4 A Yes.

5 Q You are aware, are you not, that  
6 Dr. May had no concerns and no questions  
7 regarding Dr. Laskar's forms, right?

8 A You are telling me that now.

9 Q Didn't Dr. May tell you that as part of the  
10 audit?

11 A I don't remember talking to Dr. May during  
12 the audit.

13 Q You do understand that Dr. May and  
14 Dr. Allen -- well, let's make it easier.

15 You do understand that the GEDC had a  
16 unique reporting kind of level. The GEDC reported to  
17 Dr. May, the department chair, and also reported to  
18 the provost office, right?

19 A Yes.

20 Q And you do understand, don't you, that  
21 Dr. May and Dr. Allen or their predecessors were well  
22 aware of the fact that Dr. Laskar had formed and  
23 founded Sayana, the company that's at issue here, in  
24 2006?

25 A Yes.

32

1 Q And they were aware of that throughout this  
2 time period, were they not?

3 A Yes.

4 Q So 2006 --

5 MS. WASCH: Are you asking her to  
6 speculate about what other people knew?

7 Q (By Mr. Frankel) I'm not asking you to  
8 speculate at all and please don't.

9 You knew from what Dr. May or Dr. Allen  
10 had told you or from other sources that they were  
11 well aware of the relationship between Sayana and  
12 Dr. Laskar, right?

13 A Yes.

14 Q You had referred to GT64, it is in your  
15 notebooks, as a changed membership agreement. And  
16 the reason why you said it was changed is because it  
17 had a bank account.

18 Isn't that the bank account for the Georgia  
19 Tech Foundation?

20 A I don't know.

21 Q So you have no idea what this document

22 really is, do you?

23 A It's not a membership in GEDC pursuant to a  
24 GTRC membership because --

25 Q Fair enough. Because it is not a GTRC

33

1 membership. It's actually an education membership or  
2 an unrestricted membership where the money goes as a  
3 gift to the Georgia Tech Foundation, right?

4 A Why would they sign an agreement for a  
5 gift?

6 Q Because they are an education member. You  
7 are aware that there are two levels of membership for  
8 GEDC?

9 A But you wouldn't sign an agreement for a  
10 gift.

11 Q Let's start from the beginning.

12 You are aware that there are two levels --

13 A Yes.

14 Q -- of membership in GEDC?

15 A Yes.

16 Q And one is an education member, right?

17 A Yes.

18 Q Do you know, personal knowledge, whether or

19 not membership agreements were signed by education  
20 members of GEDC?

21 A No.

22 Q You have no idea?

23 A No.

24 Q So if -- you were in your position, were  
25 you not, when the GEDC was founded in 2003?

34

1 A Yes.

2 Q And you approved the bylaws, did you not?

3 A Yes.

4 Q Let's look at those bylaws. I am going to  
5 try to use the same exhibit they do, so I apologize  
6 if I can't find the number real quickly.

7 MS. WASCH: 57.

8 MR. FRANKEL: 57.

9 Q (By Mr. Frankel) In the opening paragraph  
10 of 57, it says GEDC will be supported by interested  
11 companies for the purposes of, one, advancing the  
12 state-of-the-art in design of high-band-width  
13 communication systems" -- I'm sorry.

14 MS. SENTZ: I'm going to get her a  
15 copy.

16 MR. FRANKEL: I have it for her. I'm  
17 sorry. And I will refer to the pages. You can  
18 always look at them. I'm sorry. I should have  
19 done that.

20 MS. SENTZ: That's okay. It will just  
21 be hard for her to follow.

22 MR. FRANKEL: That would make total  
23 sense.

24 MS. SENTZ: Okay.

25 MR. FRANKEL: And by the way, all of

35

1 our exhibits are sitting here if I refer to one  
2 of our exhibits.

3 MS. WASCH: Okay.

4 Q (By Mr. Frankel) It says that they will be  
5 supported in the design of communications systems and  
6 devices called the research area, promoting research,  
7 training and education in the research area and  
8 facilitating the implementation of useful knowledge  
9 in the research area to commercial allocations.

10 Do you see that?

11 A Yes.

12 Q Is that the mission of GDEC?

13 A Yes.

14 Q And you approved that, didn't you?

15 A Yes.

16 Q Drop down to an education member, 2.3.3 on  
17 that same page. It says annual membership. "Payment  
18 of 50 to \$250,000 per year for each of GEDC  
19 membership. These are unrestricted funds that may be  
20 used to support the research of a graduate student  
21 for one year. Unrestricted funds are not permitted  
22 to require deliverables or intellectual property  
23 rights."

24 Do you see that?

25 A Yes.

36

1 Q That floats right into your distinction  
2 between a gift which is unrestricted and a grant or a  
3 research-sponsored project, right?

4 A Yes.

5 Q Now, if a gift was made between 50 and  
6 \$250,000 for GEDC, it wouldn't go to the GTRC because  
7 y'all do the sponsor research, right --

8 A Yes.

9 Q -- that has deliverables?



10 A Yes.

11 Q And if it didn't have deliverables and it  
12 was a gift of 50 to \$250,000, where would the money  
13 go?

14 A It would go to the Georgia Tech Foundation.

15 Q So it would go to the Georgia Tech  
16 Foundation. Now, if the Georgia Tech Foundation gave  
17 money to the GDEC unrestricted fund, who gets to  
18 decide how those funds are used?

19 A Well, it's spent out according to the rules  
20 of Georgia Tech because those funds flow from the  
21 Georgia Tech Foundation into the accounting system of  
22 Georgia Tech at the discretion of the unit for whom  
23 that account has been established.

24 Q So in other words, the director of the  
25 GEDC --

37

1 A Yes.

2 Q -- for example, would control the use of  
3 discretionary funds for research projects and other  
4 things for the GEDC and the packaging design center  
5 the same thing?

6 A Right.

7 Q Okay. And let's look at the next page.

8 The next page, Paragraph 2.5 talks about member  
9 benefits. 2.5.2 says access. "Access to GEDC  
10 resources, personnel and activities specified by the  
11 GEDC from time to time."

12 Explain to me what access to GEDC resources  
13 is.

14 A I assume that that is attending meetings,  
15 seeing publications, meeting with students.

16 Q Well, this is a design center, right?

17 A Yes.

18 Q And a design center designs, right?

19 A Yes.

20 Q And how does the design center design?

21 What do they use to do the designs? What resources  
22 are available for them to design things?

23 A Access is not the same as use. Access is  
24 seeing those things used. It is observing the  
25 students at their work. It's giving the, giving the,

38

1 the center interesting problems to work on. It's  
2 talking with them about research results. It's those  
3 kind of things.

4 Q I'd appreciate if you would answer my  
5 questions. I'm sure that Ms. Wasch will have an  
6 opportunity if she's dissatisfied with my questions  
7 in any way for her to ask follow-up and you'll be  
8 able to give whatever speeches you want then.

9 My question was in a design center, what  
10 resources does the center use to design things?

11 A Computers.

12 Q Would they use, for example --

13 A CAD equipment.

14 Q CAD. And CAD equipment is a  
15 computer-assisted design --

16 A Right.

17 Q -- tool, right? And you know like, for  
18 example, some of them are called Cadence and there  
19 are some other brands, but Cadence is a brand of a  
20 computer-assisted design tool, right?

21 A I don't know.

22 Q And you would use laboratory equipment to  
23 design chips?

24 A I assume so.

25 Q You don't have any experience really --

1 A No. I'm a zoologist.

2 Q -- personally? You're a zoologist. So I  
3 understand. But it would be an expectation that in  
4 order to design something, you would use the  
5 equipment?

6 A You would use the things that a person  
7 skilled in the art would use, I suppose.

8 Q And for example, in the packaging design  
9 center, there's actually facilities there to do  
10 prototypes, right?

11 A Packaging design center?

12 Q Yes.

13 A I was not familiar with --

14 Q Packaging and research center.

15 A I, I don't know what equipment or  
16 facilities they have, quite frankly.

17 Q Now, you did understand that as part of the  
18 research of GEDC, that part of the idea was to make  
19 prototypes that could be observed for new, new ideas?  
20 They weren't commercially sellable, but they were  
21 prototypes. You understood that was one of the  
22 things the GEDC does?

23 A I don't know that I understood that, but it

24 doesn't seem reasonable.

25 Q Fair enough. I want to draw your attention

40

1 to Paragraph 2.6 of the GEDC bylaws. "Use of  
2 membership dues. GEDC in its discretion may use the  
3 membership dues, payments made by members for the  
4 operation of the GEDC to purchase research equipment  
5 or other items for GEDC, to fund research activities  
6 in the research area, or for other expenses relating  
7 to accomplishing the purposes set forth in the  
8 mission."

9 A Yes.

10 Q Is that right?

11 A Yes.

12 Q So unrestricted funds, membership fees  
13 which will go to G-, GTF, right?

14 A Yes.

15 Q They could be used for research and the,  
16 and the center's director's discretion?

17 A Yes.

18 Q Have you ever had an opportunity after GEDC  
19 was formed to review the policies of what is going on  
20 in the GEDC?

21           A    Yes.  From, well, from time, not in a  
22           systematic way, but from time to time questions came  
23           up.

24           Q    Well, for example, did you ever see GEDC  
25           five-year report?  I am going to draw your attention

41

1           in the notebook, the, the black notebook.

2                   CHAIRMAN MCGINNIS:  Craig, what's the  
3           exhibit?  160?

4                   MR. FRANKEL:  It's our Exhibit 160.  
5           It's actually an additional document we  
6           identified.  It will be able to fit into the  
7           notebook, and y'all will have notebooks in a  
8           minute.

9           Q    (By Mr. Frankel)  Did you participate in  
10          this review in March 6th, 2008?

11          A    I don't recall doing so.

12          Q    Okay.  Did you ever have an opportunity in  
13          your, after 2003 to review the GEDC bylaws or any of  
14          their rules?

15          A    I may have.

16          Q    But whether or not you did or did not, you  
17          are not sure, right?

18 A Right.

19 Q But if you did, it did not result in any  
20 recommendation by you to modify the bylaws in any  
21 way?

22 A We had, over the course of working with  
23 GEDC on resolving the overruns, we certainly  
24 recommended improvements in practices regarding  
25 GEDC's financial management, but not necessarily

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1 changing bylaws.

2 Q I appreciate your explanation, but I really  
3 want to focus on my question.

4 You never recommended changing the bylaws?

5 A No, I don't recall doing that.

6 Q Do you know whether as part of the, the  
7 review of GEDC whether there were any conclusions  
8 reached?

9 A No, I do not.

10 Q For example, did you ever see, did you ever  
11 attend a faculty review meeting in July of 2008 where  
12 Dr. Allen talked about the five-year review of GEDC?

13 A In 2008?

14 Q July of 2008.

15 A Is this, is that this document?

16 Q It would be where they talked about the  
17 document, the conclusions of the document, yes.

18 Did you ever attend a meeting there? You  
19 may not have.

20 A I don't know.

21 Q Do you ever recall attending a meeting  
22 where Dr. Allen said as part of his talking points,  
23 "Based on the metrics" -- this is talking about the  
24 GEDC performance -- "the center has performed very  
25 well. Impressive quantity and quality of students,

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1 papers, commercialization successes, economic  
2 development and other factors."

3 Did you ever hear that kind of review of  
4 the GEDC?

5 A No.

6 Q Did you ever hear any negative review of  
7 how the GTRC was functioning?

8 A Apart from the cost overruns?

9 Q Yes.

10 A No.

11 Q Let's talk about the cost overruns quickly



12 for a second. The NSC cost overrun, it was  
13 determined that Dr. Laskar had nothing to do with it,  
14 right?

15 A I don't know. No, I don't think so.

16 Q Well, he was not the PI, was he?

17 A He was the PI on the membership --

18 Q He was not a --

19 A -- and he was director of the center.

20 Q He was not a PI on the NSC contracts, was  
21 he? That was, in fact, Dr. Allen and others?

22 A They were PIs on the subprojects under that  
23 membership.

24 Q Did Dr. Laskar do anything on the NSI --  
25 NSC thing?

44

1 A Dr. Laskar was responsible for the National  
2 Semiconductor membership funds because they was, it  
3 was a GEDC membership.

4 Q Samsung overrun, that was resolved in the  
5 fall of 2009 and a plan was in place, wasn't it?

6 A A plan was developed over a period of 2008  
7 and 2009 and into 2010, but the overrun was never  
8 actually resolved and, in fact, was growing last

9 spring, as late as last spring.

10 Q You were pointed in your discussions to a  
11 document.

12 I would like to show you, if you would look  
13 in your notebook at Exhibit 8.

14 MR. MARSHALL: Which notebook?

15 MR. FRANKEL: At the black notebook.

16 Those are the exhibits we previously produced to  
17 y'all.

18 Q (By Mr. Frankel) Exhibit 8 is notes of a  
19 meeting you attended in March of 2008.

20 Do you recall that meeting?

21 MR. FRANKEL: You don't need the older  
22 ones. Those are all the research papers. So  
23 you don't need those.

24 Q (By Mr. Frankel) I want to draw your  
25 attention to the third paragraph, second sentence.

45

1 "I also informally" -- first sentence. "I also  
2 informally chatted with Jilda Garton who is very much  
3 in favor of an IA." I assume that is an  
4 investigative audit? And internal audit? Yes?

5 A I don't know.

6 Q What is an internal audit called? Is that  
7 called an I- --

8 A An internal audit.

9 Q Okay. "An IA doing some type of review.  
10 Her reason was that GEDC operates under a few special  
11 arrangements."

12 Do you see that?

13 A Yes, I see that, yes.

14 Q Did you say that?

15 A Whose notes are these?

16 Q These are notes from an interview that you  
17 gave in March of 2008. I don't know who LW is.

18 MS. WASCH: I object because these are  
19 not Ms. Garton's notes. Apparently Dr. Laskar's  
20 attorneys --

21 THE WITNESS: Well, it says I  
22 informally chat, somebody, I informally chatted  
23 with somebody. And I'm not sure who.

24 MR. FRANKEL: Let me just ask the  
25 question a little more simplistically.

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1 Q (By Mr. Frankel) Did you tell anybody on  
2 the audit team at any point in time in 2008 that the

3 GEDC followed special arrangements?

4 A The, the, well --

5 CHAIRMAN MCGINNIS: Excuse me. We  
6 don't have any indication of who this is from.

7 MR. FRANKEL: This is part of the  
8 audit documents produced by Georgia Tech in  
9 response to an Open Records request from us.  
10 These are the listed interviews they took in  
11 connection with the audit that they have said  
12 resulted in the charges against Dr. Laskar.

13 MS. WASCH: This is actually prior to  
14 the audit at issue here.

15 MR. FRANKEL: It was the document that  
16 was produced in response to our Open Records  
17 request.

18 CHAIRMAN MCGINNIS: Okay.

19 THE WITNESS: Let me, the, I, whatever  
20 this is, one of these, the Samsung relationship  
21 with TSRB where they're occupying the space in  
22 TSRB, and I thought that we needed to make sure  
23 that that was being kept separate.

24 Q (By Mr. Frankel) My question really is  
25 much more narrow. I just want to know --

1           A    I have no recollection of this conversation  
2   at all.

3           Q    Did you ever tell anybody that the GEDC  
4   unlike other centers had special arrangements?

5           A    Apart from the Samsung space --

6           Q    Yes.

7           A    -- no.

8           Q    Did the GEDC operate under different rules  
9   because it proceeded the 2006 manual?

10          A    No.

11          Q    I want to draw your attention to Exhibit  
12   41.

13          A    This book?

14          Q    It is in that notebook, in the black  
15   notebook. I apologize. It will be easier, just so  
16   you know, when I say exhibit, just for everybody, it  
17   will be in the black notebook. If I say GT --

18          A    Okay.

19          Q    -- that means it is their notebook. That  
20   doesn't have exhibit numbers. And you will see at  
21   the top of this, this is GEDC Lessons Learned  
22   ongoing. It's two pages. You can see by the Bates

23 number at the bottom, it was produced by Georgia Tech  
24 in response to our Open Records request.

25 A Uh-huh (affirmative).

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1 Q And it says under Institute Center Policy,  
2 OSP. Who is OSP?

3 A Office of Sponsored Programs.

4 Q That is your office, right?

5 A One of mine, yes.

6 Q "And GT, Georgia Tech, had a center policy  
7 which has rules and procedures for establishing and  
8 running a GT center. GEDC was grandfathered out of  
9 these rules because they existed before the rules  
10 were finalized about November 2006."

11 Do you see that?

12 A I see it.

13 MS. WASCH: I object to the inclusion  
14 of this document. Again, we don't know who  
15 wrote it and there's no date on it.

16 MR. FRANKEL: All of that is true, but  
17 this was produced as part in response to our  
18 Open Records request that said please produce  
19 the notes and the files from the auditors on

20 which they relied to reach their conclusions.  
21 If this is going to be given to me as a document  
22 upon which they applied, I would argue that it  
23 is relevant.

24 CHAIRMAN MCGINNIS: But there's, I  
25 don't think there's any way for the Committee to

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1 understand the context of this without at least  
2 some way to trace it back to who wrote it or  
3 when they wrote it. Right? I mean just to be  
4 fair here, we would like to know where this came  
5 from.

6 MR. FRANKEL: Well, it talks about --

7 CHAIRMAN MCGINNIS: I understand it  
8 was produced as a part of the Open Records  
9 request.

10 MR. FRANKEL: I don't know because no  
11 one has told me, but it talks about the conflict  
12 of interest which is exactly one of the issues  
13 in this audit. It talks about the sponsored  
14 overruns which is exactly what led up to this  
15 audit according to Dr. -- I mean to Ms. Garton.  
16 And it tells us how we have thought about why

17 there's a problem. It is leading, it's  
18 describing what led up to this audit.

19 MS. WASCH: It's describing the  
20 conclusions that someone who was neither  
21 Ms. Garton nor Mr. Hurd.

22 MR. FRANKEL: So let me ask the  
23 question.

24 CHAIRMAN MCGINNIS: Where does this  
25 come from?

50

1 MR. FRANKEL: Let me, I don't, I have  
2 no idea. I have a problem and I'll tell you my  
3 problem up front. We are not allowed to ask for  
4 any documents. We are not allowed to get any  
5 witnesses. That's the rules that are in place  
6 here. We can only get the documents that are  
7 given to us. That's the sole rules. The way,  
8 the rules say we are entitled to have access to  
9 documents, I ask. The answer was a firm and  
10 unequivocal no. The only documents you are  
11 going to be able to get are those you requested  
12 in your Open Records request. And just so you  
13 know, we have a lawsuit pending because the Open



14 Records requests in our opinion weren't  
15 responded to. And we have had to go back and  
16 back and back and forth. But when we, we are  
17 not entitled to interview witnesses. We are not  
18 entitled to depose anybody. We are not entitled  
19 to get any documents. Even though the rules say  
20 we shall have reasonable access and the  
21 opportunity to obtain documents and witnesses,  
22 the truth is when we asked Georgia Tech for  
23 these things, the answer was a clear and  
24 unequivocal no. So yes, I'm sorry.

25 MS. WASCH: I'm going to object to

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1 that characterization. We responded to hundreds  
2 of Open Records Act requests from Mr. Frankel.

3 MR. FRANKEL: That's actually true.  
4 After, after lots of, of effort, they did. But  
5 my point is in this context. When we asked for  
6 documents for this hearing pursuant to the  
7 faculty handbook Section 5.10 -- I'm sorry, ten  
8 point --

9 MS. WASCH: 5.10.

10 MR. FRANKEL: 5.10, we asked for

11 documents in writing. And the answer was we  
12 will not give you any documents except what's  
13 already been produced in Open Records. When I  
14 asked for access to witnesses so I could  
15 interview them, the answer was we don't have to.  
16 So it is very, very difficult for me to figure  
17 out, to authenticate a document when I don't  
18 know the source. These are the documents that  
19 were produced as part of Open Records request  
20 which were very intense.

21 CHAIRMAN MCGINNIS: Just for our  
22 understanding, what you got was just this two  
23 pages, but nothing before it or after it that  
24 would indicate who wrote it or --

25 MR. FRANKEL: Correct. There was,

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1 what we got was a disk. And on the disk, this  
2 is the first thing we got, was all of the  
3 documents that allegedly were used in connection  
4 with the interim report for the auditor that  
5 came out in or around April of 2010. And it had  
6 about 144 exhibits. And these allegedly are the  
7 exhibits relied on by?

8 MS. WASCH: And Mr. Hurd, the auditor,  
9 is going to testify. And he can probably  
10 explain what it is.

11 CHAIRMAN MCGINNIS: So we can come  
12 back to it.

13 MR. FRANKEL: Okay. We will come back  
14 to it.

15 Q (By Mr. Frankel) Regardless of what the  
16 source of this document is, is that statement true  
17 that the GEDC was grandfathered out of the center  
18 rules because they existed before the center rules  
19 were finalized in November of 2006?

20 A It doesn't make sense because the center  
21 manual is a compilation of existing rules and best  
22 practices for centers and wasn't in and of itself  
23 rule making.

24 Q Am I right that the NSC audit, the end of  
25 that audit for the overruns resulted in there having

53

1 to be a write-off or some type of accounting notation  
2 in GTRC's books?

3 A Yes.

4 Q Not GEDC's?

5           A     GTRC at the request of the Institute took  
6     that write-off.

7           Q     And GEDC had no change of its books and  
8     nothing was concluded that GEDC did anything wrong,  
9     right?

10          A     No. But that is not right. GTRC took the  
11     write-off because it was an un-billable amount. We  
12     could not bill the sponsor for it. And Georgia Tech,  
13     the Institute, was dealing with the Samsung overrun,  
14     so GTRC took that, the write-off for the benefit of  
15     the Institute.

16          Q     I want to draw your attention to an exhibit  
17     that I think was shown to you before. It is in the  
18     yellow notebook, GT92. And if it wasn't, I'm not it  
19     was. This is an e-mail from Stephen Fleming, you  
20     said, to himself and then it was copied to you. It  
21     is May 18, 2010.

22          A     Yes, it is.

23                   MR. MARSHALL: It's 89.

24                   MR. FRANKEL: Ours says --

25                   MS. WASCH: It's 89.

54

1                   MR. FRANKEL: Ours says GT92 on the

2 document.

3 THE WITNESS: It says 92 here.

4 MR. FRANKEL: And that was actually  
5 one of the ones we said I couldn't find. That's  
6 why.

7 Q (By Mr. Frankel) Okay. And we talked  
8 about this memo.

9 Does the date May 18th, 2010, have any  
10 significance to you?

11 A Not in particular.

12 Q Well, let me see this if this refreshes  
13 your memory. It is the day after Dr. Laskar was  
14 suspended without pay. And it is the day after GBI  
15 agents and the auditors raided all of the offices of  
16 GEDC and Sayana and executed a warrant to take all of  
17 their property. And it was on TV and there were  
18 press releases to things.

19 Does that refresh your memory as to the  
20 significance of May 18th?

21 A Certainly.

22 Q Okay. And when Ms. Wasch asked you  
23 questions why were people coming forward and asking  
24 this, wouldn't it be fair to say that the reason

25 people were coming forward and asking gosh, what are

55

1 the rules is because they were afraid that whatever  
2 happened to Dr. Laskar was going to happen to them?

3 A I don't know why they were asking  
4 questions.

5 Q Did anyone --

6 A I'm not sure that it was always the people  
7 in similar situations that were asking them.

8 Q Do you know who came and asked the  
9 questions?

10 A Not specifically.

11 Q Do you know whether anybody changed the way  
12 they were operating as a result of this memo?

13 A Not to my knowledge.

14 Q Do you know whether anybody came to  
15 Mr. Fleming and said you know, we do some of the same  
16 things, you mean I'm not in compliance either?

17 A I don't know what people might have said to  
18 Mr. Fleming.

19 Q So you were copied on this, but there was  
20 no follow-up from you?

21 A You will see that I am a co-signer. We

22 wrote this together --

23 Q Right.

24 A -- to address --

25 Q So you wrote it together.

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1 A Yes.

2 Q You send out a memo, you wrote it together,  
3 and you are saying, you know, because there's  
4 confusion, we want to make sure everybody knows the  
5 rules. And you're telling this Committee that no one  
6 came up to you and said there was a problem?

7 A We were asked to write this for people who  
8 were asking questions.

9 Q Okay. And it invites people to come back  
10 to you if there is a problem.

11 Did anyone come back to you with a problem?

12 A Not to me.

13 Q Okay. And you don't know who came back to  
14 Mr. Fleming?

15 A I don't know who might have come back to  
16 Mr. Fleming.

17 Q Are you aware of any other either centers  
18 or individual professors who might, who are, were

19 doing things that were similar to Dr. Laskar, for  
20 example, using resources of the GEDC to manufacture  
21 prototype chips?

22 A No.

23 Q Have you ever asked anybody, anybody, is  
24 there any faculty members using the tools, the design  
25 tools at the GEDC to manufacture chips or to design

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1 chips?

2 A Could you say that question again.

3 Q Yeah. Have you ever asked anybody or  
4 inquired whether any professor other than Dr. Laskar  
5 has used design tools, computer design tools, at  
6 Georgia Tech to design chips?

7 A I would assume that there are professors  
8 using those design tools to design chips for their  
9 own research at Georgia Tech.

10 Q Are you aware of anybody also using those  
11 chips that were designed with the Georgia Tech tools  
12 for start-up companies?

13 A No.

14 Q For example, Dr. Allen's company Axion did  
15 a prototype chip using the tools, the CAD tools, and



16 designed the chip and it was paid for by GRA  
17 unrestricted money.

18 Are you aware of anybody else like  
19 Dr. Allen?

20 A I wasn't aware of that and I'm not sure  
21 what the context of that might be.

22 Q Have you investigated Dr. Allen?

23 A No.

24 Q I want to draw your attention in the  
25 notebook to Exhibit 12. This is a marketing

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1 development program status update by GEDC.

2 Have you ever seen this document or were  
3 you present at the presentation when this was done?

4 A I don't recall being at a meeting where  
5 this was presented. This appears to be PowerPoint.

6 Q Yeah. Are you familiar with the marketing  
7 development program?

8 A No, not specifically.

9 Q Okay. Do you have a general understanding  
10 that this is a funding mechanism to bring in  
11 unrestricted research money to centers to develop  
12 research and hopefully foster commercialization?

13 A No, I wasn't aware of that.

14 Q Okay. I want to draw your attention to  
15 Exhibit 14. It is a VentureLab proposal for Sayana.

16 A All right.

17 Q Before we even get into the substance, are  
18 you familiar at all with the VentureLab concept?

19 A Yes.

20 Q Did you receive copies of VentureLab  
21 proposals?

22 A No.

23 Q So you've never seen this document?

24 A No.

25 Q VentureLab money is money that would come

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1 in unrestricted to a start-up company, a spin-out or  
2 a spin-in or an incubator company that would not have  
3 deliverables, right?

4 A No, that's not correct.

5 Q Explain to me then what it is.

6 A GRA Phase 1 and Phase 2 are -- VentureLab  
7 Phase 1 and Phase 2 funds are grants that are made  
8 within the Institute, within Institute accounts to  
9 take an invention and further refine that invention

10 to where it is investable. So those are funds that  
11 are spent in, inside the Institute. And any of the  
12 intellectual property that results from that belongs  
13 to GTRC. The technology is developed, the  
14 expenditures are for the benefit of the Institute.  
15 They are not unrestricted gifts to companies.

16 Q Oh, absolutely. What I meant was it's  
17 unrestricted research. Obviously any research done  
18 at the GEDC, whether it's sponsored or non sponsored,  
19 still belongs to Georgia Tech.

20 A Yes. But it is not unrestricted either.

21 Q It's restricted to that project.

22 A It is restricted to development of that  
23 technology pursuant to that proposal.

24 Q Okay. Okay. Am I right that funding was  
25 cut to the GEDC and other centers around Georgia Tech

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1 in 2008 and 2009?

2 A I don't know.

3 Q You don't have anything to do with the  
4 funding?

5 A Nope.

6 Q You were attending, starting around 2008,

7 you were attending meetings either monthly or  
8 bi-monthly to deal with the GEDC finances, weren't  
9 you?

10 A Not that frequently. Those, those meetings  
11 may have occurred, but I certainly did not attend  
12 every month or every two months.

13 Q And on the months in where you attended,  
14 where you were attending, were you familiar with the  
15 GEDC finances and some of their challenges?

16 A I was concerned primarily with the overruns  
17 and un-billable amounts. There may have been other  
18 issues as well, but --

19 Q How were the overruns going to be handled,  
20 or the plan that was put in place to solve the  
21 overruns for Samsung? What plan was put in place?

22 A Well, it was a plan that relied on  
23 two-pronged approach, I guess. It was in one measure  
24 trying to convince Samsung to pay more money for the  
25 scope of work that had or was being accomplished

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1 under the Samsung funding. And the other prong was  
2 to persuade donors to give money as unrestricted  
3 gifts and those gifts could be used to alleviate that

4 Samsung overrun. That seemed an interesting  
5 approach, but that was the approach.

6 Q And that was acceptable to you, was it not?

7 A It was the approach that we worked out with  
8 the center and Dr. Laskar and so yes.

9 Q So you approved it?

10 A It wasn't for me to approve or disapprove.  
11 It was the plan we developed collectively and that we  
12 were pursuing and hoping that it would work.

13 Q And you were in agreement with it, were you  
14 not?

15 A I agreed, yes.

16 Q I want to draw your attention to GT87. It  
17 is one of the documents that Ms. Wasch showed you.

18 A Yes.

19 Q And it looks like part of the projections  
20 dealing with the overruns is what you said. It's  
21 the --

22 A Yes.

23 Q -- financial update.

24 Is this the kind of document that you got  
25 at the meetings that you did attend for the --

1 A Yes.

2 Q -- financial things? Okay. And it's  
3 talking about the solution to Samsung, is it not?

4 A Yes, in part. Yes.

5 Q You can see that it's dated December 11th,  
6 2009, after --

7 A Yes.

8 Q -- the plan was put in place, right?

9 A That plan evolved over time, but yes, it  
10 was one of the steps in that plan.

11 Q And we are looking at funds to be used. I  
12 want to draw your attention to GT87. And we look at  
13 funds to be used, and it lists Foundation funds.

14 A Yes.

15 Q Okay? These are, these are moneys that  
16 were given, grants, gifts that were given to the  
17 Georgia Tech Foundation by Microsoft, UNIST, whatever  
18 that is, and Intersil totaling \$295,000 that had  
19 already been given, right.

20 A Well, no. Because you will see that the  
21 dates are after the date of this presentation.

22 Q That's right. They had already been  
23 committed to give these funds?

24           A    They were, well, I don't know that they  
25           were committed or projected.

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1           Q    Well, if you look on the page before, GT86,  
2           it lists all the gifts that were confirmed funds,  
3           okay? Some of them were for designated projects,  
4           some were not. But this is listed as confirmed  
5           funds. The three that we see there that are gifts  
6           are listed in the confirmed funds list, isn't it?

7           A    Fair enough.

8           Q    And you know that these funds were, in  
9           fact, ultimately received? Do you have any idea?

10          A    I know that the Intersil funds were  
11          received and I don't for sure, but I do believe the  
12          Microsoft funds and UNIST was. I don't know.

13          Q    And there was also talk about future  
14          donations, unrestricted donations, that went to the  
15          GTF that could be used to do for Samsung. Even  
16          though they're given by Microsoft or Inter-, whatever  
17          that name is, Intersil or other things, because they  
18          were unrestricted, it was okay to use those funds to  
19          pay for the Samsung cost overrun?

20          A    Yes.

21 Q And that is because they are unrestricted  
22 and can be used at the discretion of the center  
23 director, right?

24 A That is correct.

25 Q And let me draw your attention to Exhibit

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1 31. It is talking about that very same update on  
2 12/11/09.

3 A Uh-huh (affirmative).

4 Q And you are copied on it. In the middle.  
5 From Barbara Alexander to Chris Evans. Copied to  
6 you, Eric Trevena and Lauren? Do you see that in the  
7 middle one? I am just going to point to it.

8 The first thing I just want to ask you is  
9 did you get a copy of this e-mail?

10 A I am on the cc list, so I assume that I  
11 did.

12 Q And who is Barbara Alexander?

13 A She is the director of GTRC accounting.

14 Q And she reports to you?

15 A Yes.

16 Q And who is Eric Trevena?

17 A Eric Trevena was, he's currently a, the



18 business officer in the college of architecture.

19 Q But prior to that he was in GTRC?

20 A No.

21 Q He was in the provost office. I'm sorry.

22 A He was in the provost office.

23 Q Yeah, right. Yeah, I apologize. I just  
24 want to draw your attention here.

25 In the memo we talk about what is going to

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1 be done. Listed are the comments regarding the  
2 presentation from Barbara Alexander. And Point No.  
3 D, Page 6?

4 A Uh-huh (affirmative).

5 Q "All foundation funds were to be used to  
6 reduce Samsung debt per the signed agreement."

7 A Yes.

8 Q Do you see that?

9 A Yes, I see that.

10 Q So the agreement as of December 2009 was  
11 all foundation money regardless of the source because  
12 it was unrestricted funds could be used towards  
13 Samsung cost overruns?

14 A Yes. That was Barbara's understanding.

15 Q That was your understanding too?

16 A Yes.

17 Q Now, one of the reasons Samsung had a cost  
18 overrun was because in the 2007-2008 time frame  
19 Georgia Tech and GTRC switched auditors and they  
20 changed how things were audited, right, and reported?

21 A No.

22 Q Well, prior to 2008, wasn't it true that if  
23 you had a long-term contract like a Samsung that was  
24 paying on an annual basis, you would account for it  
25 over the years such that although the costs may be

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1 incurred in year one, the revenues may come in year  
2 two and would come out essentially at the end of the  
3 term in the wash. And in 2007-2008 that changed  
4 where you had to account for all the costs in one  
5 year and all the revenues in one year and that is  
6 what generated the overrun, right?

7 A No.

8 Q So that didn't change, the rules didn't  
9 change?

10 A No.

11 Q You are referring in this Exhibit No. 31 to

12 the signed agreement.

13 What signed agreement are you referring to?

14 A I didn't refer.

15 Q Okay. The signed agreement is referred to  
16 by Barbara Alexander who reports to you.

17 Do you know what signed agreement she is  
18 referring to?

19 A I believe she is referring to the plan that  
20 we developed with Dr. Laskar to address the Samsung  
21 overrun. And that was memorialized in a memorandum  
22 so that we could use that as the plan for addressing  
23 the overrun.

24 Q I am going to draw your attention to  
25 Exhibit 22.

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1 Is that the signed agreement that you are  
2 referring to?

3 A Yeah. There are a couple of iterations of  
4 it here, but yes.

5 Q The first iteration, the one, the first two  
6 pages which have Bates numbers GTORA6148 and 6149?

7 A Uh-huh (affirmative). Yes.

8 Q That was signed by you and by Dr. Allen but

9 not signed by Dr. Laskar, right?

10 A Yes.

11 Q Okay. And when you were thinking about the  
12 agreement to which y'all had all agreed, you were  
13 actually thinking about an agreement that was  
14 actually signed by Dr. Laskar as well, weren't you?

15 A Well --

16 Q Let me just see if I can help you out.

17 The second one, the second version is  
18 signed by Dr. Laskar, isn't it?

19 A Yes. With, the agreement was with  
20 Dr. Laskar and we worked that out over the course of  
21 the spring leading up to the end of the fiscal year  
22 in 2009. So it is all the same agreement.

23 Q But Dr. Laskar, we are talking about the  
24 one that he signed that talks about the future. That  
25 is the one that Dr. Laskar signed is the second one,

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1 right?

2 A Yes.

3 Q And I'm right, am I not, that Dr. Laskar  
4 was not even asked to sign that document until  
5 November of 2009?

6 A No, I don't believe that is correct.

7 Q When was he asked to sign it?

8 A I believe these were all worked out at the  
9 same time prior to the end of the spring semester in  
10 2009.

11 Q Fascinating. Let me draw your attention to  
12 the front of that page, the second one, GTORA6150,  
13 okay?

14 A Okay.

15 Q If this was signed in the spring of 2009,  
16 how can you refer to a letter agreement dated  
17 September 5th, 2009?

18 CHAIRMAN MCGINNIS: Where is that  
19 reference?

20 MR. FRANKEL: It's on Bates Page  
21 GTORA6150. It's the third page. And it is the  
22 second paragraph.

23 Q (By Mr. Frankel) It says "Georgia Tech and  
24 GTRC entered into a letter agreement dated  
25 September 4, 2009, detailing a process for

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1 eliminating the outstanding deficit over time. In  
2 addition, the steps outlined in that memorandum will

3 take the following steps in fiscal year 2010." And  
4 it continues on. And fiscal year 2010, just to be  
5 clear, starts July 1 through, 2009, through June 30,  
6 2010, right?

7 A I don't know.

8 Q Is it the policy of GTRC to ask professors  
9 to sign documents certainly after September 4th,  
10 2009, that are dated June 30th, 2009?

11 A We don't have a policy that says that you  
12 do that.

13 Q In fact, it is probably against the policy,  
14 isn't it?

15 A I don't think we have a policy one way or  
16 the other. Our policy is to contemporaneously date  
17 documents.

18 Q So backdating would violate what you  
19 understand GTRC policies to be, wouldn't it?

20 A I don't believe that is backdated.

21 Q Well, if you signed it -- well, let's just  
22 be clear. You couldn't have signed it before  
23 September 4th, 2009, could you?

24 A Right.

25 Q This document.

1           A     And quite honestly, I believe this is a  
2     date error, but --

3           Q     Well, it is talking about the future for  
4     fiscal year 2010, is it not? You have already got  
5     the memo before, the one at the first two pages of  
6     Exhibit 22, which talks about dated June 30th signed  
7     by you and Dr. Allen that uses the same date, but it,  
8     the substance of that is a little bit different,  
9     isn't it?

10          A     The substance is a little bit different and  
11     my assumption here is that there is a date error here  
12     on this one. Dr. Laskar didn't call it to our  
13     attention at the time.

14          Q     Well, Dr. Laskar wasn't asked to sign it  
15     till November of 2009, was he?

16          A     I don't know.

17                   MS. WASCH: Objection. Ms. Garton  
18     already said she didn't know.

19          Q     (By Mr. Frankel) Let's see if we can clear  
20     that up for you. I want to draw your attention to  
21     Exhibit 28. This is a series, part of a series of  
22     e-mails between Dr. Laskar, Dr. Allen, Lauren Robb,

23 some others talking about the Samsung and other,  
24 going forward, okay?

25 A Uh-huh (affirmative).

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1 Q Have you ever seen this memorandum? I'm  
2 sorry. This e-mail. I said memorandum. That is not  
3 fair.

4 A No, I don't think, I don't recall ever  
5 seeing it.

6 Q Did you have any knowledge that Dr. Allen  
7 had reported to Dr. Laskar that GTRC has prepared and  
8 requested your signature on a memorandum of  
9 understanding to deal with the accumulated debt on  
10 the advice of their auditors? Did you know if  
11 Dr. Allen ever said that to Dr. Laskar?

12 A Well, it certainly is true.

13 Q So that's right. The memo we just saw,  
14 Exhibit No. 22, that they were prepared by GTRC on  
15 the advice of auditors?

16 A It was not on the advice of auditors. It  
17 was in response to auditors.

18 Q To answer auditor questions maybe?

19 A To, we wanted the auditors, because we had



20 the overrun on Samsung in the previous audit and we  
21 knew it was going to come up as a recurring audit  
22 item, we wanted to tell them how we planned to  
23 address that audit in a very proactive way and assure  
24 them that GEDC was working toward a plan to eliminate  
25 that overrun. And they could adjust our rule, our

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1 allowance for doubtful accounts accordingly with a  
2 realistic projection of how much GEDC was going to be  
3 able to recover and how much is at risk.

4 Q Fair enough.

5 CHAIRMAN MCGINNIS: Could I just ask a  
6 question here?

7 MR. FRANKEL: Absolutely.

8 CHAIRMAN MCGINNIS: Could you remind  
9 us which of the charges this part of the  
10 testimony is referring to?

11 MR. FRANKEL: This is referring to the  
12 cost overruns and how Dr. Laskar is handling  
13 funding for GEDC. I think it's Charge 1 and  
14 Charge 4.

15 Q (By Mr. Frankel) I want to draw your  
16 attention to the next page that talks about the MOU

17 and the debt reduction plan that will allow \$850,000  
18 in Georgia Tech Foundation money to go against the  
19 2009 Samsung debt must be signed.

20 Do you see that?

21 A Okay. Well, I am reading this, but this is  
22 one of these things where you have got insets and  
23 whatnot.

24 Q Sure. It is a November 10th, 2009, e-mail  
25 where there's responses to questions. And on

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1 November 10th, 2009, it says that the MOU must be  
2 signed as a precondition to this deal. And right  
3 below it it says agreed and signed.

4 Do you remember my question?

5 A I am, I'm working on it. Okay. All right.  
6 So go back to your question. What was it?

7 Q I have to rephrase it. I've now forgot it.

8 You see on this e-mail that the signing of  
9 the MOU --

10 A Okay.

11 Q -- was being required on November 10th,  
12 2009, in order to do the deal for the \$850,000 for  
13 the Foundation to pay for the Samsung cost overrun.

14           A    And Dr. Laskar responds, because his  
15 responses are interwoven here?

16           Q    Right.

17           A    He responds that agreed and signed both in  
18 the past tense.

19           Q    Do you have any reason to believe that  
20 Dr. Laskar signed this MOU at any time other than  
21 November of 2009?

22           A    I have no idea when he signed it.

23           Q    Dropping down one, it says No. 5, the  
24 50,000K, \$50,000 in expenditures can be authorized  
25 for use and the requested takeout.

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1                   Do you know what that is referring to?

2           A    I believe that is funding that was being  
3 made available by the President's office via Mark  
4 Allen's office for a chip run of some kind, but I  
5 don't know the details of that.

6           Q    Do you know when that process was approved?  
7 Do you know whether that was in November of 2009 or  
8 later?

9           A    I don't know.

10          Q    Fair enough. Does Kevin Wozniak work for

11 you?

12 A Yes.

13 Q And for example, if agreements are signed  
14 like a subscription -- well, let me start again.

15 If a start-up company is going to be used  
16 and is going to use intellectual property for  
17 commercialization, what's the process if they want  
18 to?

19 A GTRC is the owner of intellectual property  
20 that results from research at Georgia Tech. Faculty  
21 and other inventors who come up with something, they  
22 turn in their invention disclosure to the office of  
23 technology licensing. The office of technology  
24 licensing is responsible for protecting the  
25 intellectual property with a patent application for

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1 visual application or a PCT or utility application,  
2 whatever is appropriate. And then the process of  
3 licensing that technology starts at that point.  
4 Companies, either existing companies might license  
5 intellectual property from Georgia Tech or a new  
6 company might be formed that would be a licensee of  
7 that technology and they would take a license to the

8 intellectual property from Georgia Tech or from GTRC.

9 Q And there would be a license agreement or  
10 some type of agreement between GTRC and the licensee?

11 A Yes.

12 Q You're aware that Sayana entered into an  
13 agreement with --

14 A Yes.

15 Q -- the GTRC?

16 A Yes.

17 Q Did you have an opportunity to see the  
18 documents?

19 A Yes.

20 Q And as part of that contract, GTRC was  
21 given a five percent ownership in Sayana, correct?

22 A Sayana is an L.L.C., GTRC is a five percent  
23 member, or between five and ten percent member.

24 Q So it's a five percent member. And as part  
25 of that process, Mr. Wozniak and you signed a

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1 shareholders agreement and the operating agreement  
2 and all the things that a shareholder should sign?

3 A I don't believe we ever received a  
4 shareholder agreement or the operating -- well, I

5 believe we have the operating agreement. We may have  
6 a shareholder agreement as well.

7 Q Let me draw your attention to Exhibit 155.  
8 It is a new exhibit. This is an e-mail. It is a new  
9 one, so I have to give you a, if you could pass it  
10 down, there is a tab and a piece of paper.

11 MS. WASCH: What number was that?

12 MR. FRANKEL: Exhibit 155.

13 Q (By Mr. Frankel) It is an e-mail exchange  
14 between Stephane Pinel, Kevin Wozniak and copy to  
15 Joy. And there's a second one down at the bottom.  
16 And you'll see in there that it says Dear Kevin.

17 That is Wozniak, right?

18 A Uh-huh (affirmative).

19 Q "I am checking to see if you've had a  
20 chance to review the draft subscription agreement  
21 that I sent you last week."

22 Do you see that?

23 A Yes, I see that.

24 Q Does that refresh your memory as to whether  
25 GTRC saw a copy of the subscription agreement?

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1 A I, all this says is that Kevin Wozniak had

2 the opportunity to review a draft subscription  
3 agreement.

4 Q Do you have any reason to doubt that he saw  
5 it?

6 A The draft?

7 Q Yes.

8 A No.

9 Q And you understand that the draft agreement  
10 designates who are the owners and officers of Sayana,  
11 right?

12 A Right.

13 Q So it designated that Dr. Laskar was the  
14 chair and president of Sayana?

15 A Yes.

16 Q And it designated that Dr. Laskar owned  
17 approximately 45 percent of Sayana?

18 A I don't recall, but that's sounds  
19 reasonable.

20 Q But that, the information would be there?

21 A Yes.

22 Q So you would know who the owners were?

23 A Yes.

24 Q You would know who the officers were, you

25 would know who the founders were, you'd know who the

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1 board is. All that would be in this subscription  
2 agreement?

3 A Right.

4 Q And you have no reason to doubt that  
5 Georgia Tech got the subscription agreement, do you?

6 A No.

7 Q Do you know, and you may not know the  
8 answer to this. Do you know -- well, let me start  
9 again.

10 Do you recall that as a part of the  
11 agreement between GTRC and Sayana that Sayana would  
12 pay the patent fees for all of the IP that belonged  
13 to Georgia Tech?

14 A For all of the licensed IP, yes.

15 Q Right.

16 A Yes. They were reimbursed that, yes.

17 Q Do you have any knowledge as to how much  
18 Sayana has paid towards that to date?

19 A No, I don't remember, I don't recall that  
20 number off the top of my head.

21 Q From, the number that I have to date is



22 \$220,000 and change.

23 Do you have any reason to doubt that that  
24 was how much was spent by Sayana on the licensed IP  
25 to do the patent work?

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1 A That sounds reasonable. I know they are in  
2 arrears at this point.

3 Q There may be some more that are owed?

4 A Yes.

5 Q But they've paid so far approximately 220?

6 A Sounds reasonable, but I don't know.

7 Q Okay. Do you know, have any knowledge of  
8 Sayana paying in addition to the patent and licensing  
9 fees, paying for students, co-ops to work at Georgia  
10 Tech to give them funding? You may not have any  
11 knowledge. That's okay.

12 A I'm, I don't have any direct knowledge of  
13 that, no.

14 Q Do you have any knowledge of a research  
15 grant given by Sayana to the Georgia Tech Foundation  
16 that was unrestricted in the amount of \$90,000?

17 A I have seen that listed as, in all of these  
18 various documents, but --

19 Q But you don't have personal knowledge?

20 A No.

21 Q Were you around when Yamacraw was founded?

22 A Yes.

23 Q And Yamacraw is kind of the predecessor to  
24 the GTRC in some respects?

25 A Yes.

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1 Q Do you know who came up with the idea for  
2 creating a Yamacraw design center type thing in  
3 Georgia?

4 A Roy Barnes gets credit for it.

5 Q He gets credit for it, that's true.

6 Do you know that Cadence, the commercial  
7 company Cadence has a research arm and they are the  
8 ones who suggested to Herb Lehman and to Georgia Tech  
9 that Yamacraw be founded?

10 A I do not know that.

11 MS. WASCH: I object. I don't know  
12 where we are going with this or how it is  
13 relevant to the charge. Going back to the year  
14 2000 when Yamacraw was founded.

15 CHAIRMAN MCGINNIS: Mr. Frankel, are

16           you going to make this clear to us, I mean where  
17           we're going here?

18                         MR. FRANKEL: Yes. The answer is I  
19           have already asked the question. But the simple  
20           question is the Cadence, that Dr. Laskar is  
21           accused of improperly using the Cadence CAD tool  
22           and that you are supposed to pay for it. And  
23           Cadence is the one who came up with the idea and  
24           Yamacraw of using a center so that industry  
25           could come and use the tools that are on the

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1           center to create the chips and then ultimately  
2           create research projects and to commercialize.  
3           That's the relevance.

4           Q    (By Mr. Frankel) Let me ask you about  
5           that. Am I right that the idea of GEDC is for there  
6           to be research into creation of unique inventions  
7           that benefit the university and that one day might  
8           lead to commercialization?

9           A    Yes.

10           Q    And the commercialization process is taking  
11           it from the design and creation forward. In other  
12           words, the university might, has paid for the

13 research and gets to utilize the research and that it  
14 is only when it has a commercial potential that a  
15 start-up might come in and utilize it.

16 A Well, a start-up licenses it and takes it  
17 out is usually the way we phrase that.

18 Q That is a fair statement. And am I right  
19 that as part of the research and development phase,  
20 that chips might be developed, prototypes and chips  
21 to test, to see if the technology works?

22 A That would be on the research side of that  
23 --

24 Q Research?

25 A -- divide, yes.

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1 Q Who pays for the research side?

2 A Well, the research side is generally paid  
3 by external sponsors, in the normal course of events,  
4 the research is paid by, for by external sponsors.

5 Q But by external sponsors, you mean  
6 unrestricted gifts for research?

7 A No, not by unrestricted gifts. The vast  
8 majority of our research is paid for under contract.  
9 It's under research grants and contracts through the

10 office of sponsored program.

11 Q Are there research that goes on that is  
12 paid for by Georgia Tech Foundation money or GRA  
13 money, Georgia Research Alliance money?

14 A Georgia Research Alliance money is State  
15 Funds that comes in, comes in through, from the Board  
16 of Regents to the Institute. And that pays for some  
17 of those taking the inventions that, that translation  
18 of the, the invention to something that can, that is  
19 licensable that's that last little bit of creating  
20 some, taking that basic idea and turning into  
21 something that somebody can build a company around or  
22 that a licensee, a large company might want to come  
23 in and want to take out. That's what GRA money is  
24 for. And of course, the Foundation funds are used  
25 for, in some respects for research, but mostly that

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1 goes to, it is my understanding that most of that  
2 goes to students.

3 Q But that is at the discretion of the center  
4 head?

5 A Well, it is at the discretion, it depends  
6 on what the Foundation account is established for.

7 Q Fair enough. So let me make sure I  
8 understood what you said. If, if it is a research  
9 contract that has deliverables, then it goes to the  
10 GTRC?

11 A If it's a grant or a contract with budgets,  
12 reports, deliverables, those, anything other than a  
13 gift that you just get a thank you note for.

14 Q And for deliverables, you mean, am I right  
15 that the definition of deliverables is something that  
16 is commercially re-sellable?

17 A No.

18 Q If chips were developed at the GTRC  
19 pursuant to a research contract of the type you  
20 described?

21 A Uh-huh (affirmative).

22 Q How does the money get paid for the  
23 creation of those chips? For the use of the CAD  
24 equipment or anything else?

25 A When a, when a researcher is working on a

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1 project, that researcher is, that researcher, if it's  
2 a sponsor research project, that researcher has a set  
3 of specific aims, goals. And he might, he or she

4 might undertake the fabrication of a chip. The cost  
5 for the fabrication of that chip would be charged to  
6 that grant or contract because that chip is needed  
7 for the research in that grant or contract. GTRC  
8 would typically take title to all of the equipment or  
9 chips or materials that are purchased under a sponsor  
10 research agreement so that that title rests in the  
11 Institute.

12 Q Along with the IP?

13 A A lot of, the intellectual property is  
14 assigned to GTRC.

15 Q And if I wanted to see whether that, in  
16 fact, ever happened, that chip fabrication was  
17 included as a cost item in a sponsored contract and  
18 then ultimately approved for payment by GTRC, where  
19 would I go?

20 A Grants and contracts accounting records.

21 Q I asked as part of my Open Records request  
22 for all invoices for fabrication of the chips that  
23 GTRC paid for the past five years. I didn't have a  
24 single one.

25 Do you know of some that were actually paid

1 for by GTRC as part of a sponsored contract?

2 A GTRC wouldn't pay for those. The Institute  
3 would pay for them.

4 Q But do you have any knowledge of any  
5 invoices or documentation that would show that  
6 sponsored money paid for the chips rather than  
7 foundation or unrestricted money? For fabrication of  
8 chips at the GTRC.

9 A No, I don't know one way or the other if  
10 those exist or not.

11 Q Who would I need to go to to find those?  
12 Because I really wanted to see those and I haven't  
13 seen a single invoice or bill or check or cost center  
14 where chips were fabricated at the GEDC for which a  
15 sponsor was billed or charged or included as part of  
16 his sponsorship money. Where would I go for that?

17 A If, if the chips were fabricated at the  
18 GEDC, then you might have to compile things like the  
19 effort of the people that did it, the materials that  
20 went into that and it might not be a line item.

21 Q What about fabrication off premises that  
22 were done with a sponsored contract? If I wanted to  
23 see where a sponsor actually paid for that other than



24 Georgia Tech, where would I go?

25 A Georgia Tech would pay for that and that

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1 cost would be recorded as a charge on the project.

2 There should be a purchase order. And again, grants

3 and contracts accounting should have a record of that

4 charge posting to that project.

5 Q And if I haven't seen one of those purchase

6 orders coming in that was charged to a project, would

7 it be fair for me to conclude that it wasn't done?

8 A Right. That there were no, that nobody has

9 ever issued a purchase order for a chip fabrication

10 and --

11 Q That was paid for by the sponsor.

12 A -- and it was paid, charged to a project

13 that was paid for by a sponsor?

14 Q Yes.

15 A If I, you haven't seen it and you've asked

16 for it and they've told you there aren't some, I

17 mean I'm --

18 Q Then you would reach the same conclusion I

19 did, that if I've asked for all of those invoices --

20 A I don't know.

21 Q Okay. Fair enough.

22 A I don't know.

23 Q Let's just talk about how the invoices  
24 actually get done for, by GTRC. Am I right that it  
25 starts with a, let's talk it through in a simple way.

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1 If you wanted to do a, a sole source order. And  
2 let's look in this notebook. I'll give you a page to  
3 make it easy for you. Let's look in the Georgia Tech  
4 notebook. And I'll draw your attention to, oh, let's  
5 just walk through one, GT656.

6 A 656.

7 Q Just understand how checks are processed  
8 and paid for by Georgia Tech.

9 MS. WASCH: I'm going to object as to  
10 the extent that Ms. Garton is not an accounts  
11 payable person, it isn't really her job, and  
12 that you might get better evidence elsewhere.

13 MR. FRANKEL: I am having a problem.  
14 Eric Trevena hasn't responded to any of my  
15 e-mails and he was the accountant at the time.  
16 And so I'm not sure I am going to be able to get  
17 him here because I don't have the right to

18 subpoena witnesses. But she is the head of the  
19 GTRC and I thought she might be able to tell me  
20 how things are approved.

21 CHAIRMAN MCGINNIS: Ms. Garton, are  
22 you comfortable answering his question? I mean  
23 if you're uncomfortable answering these  
24 accounting questions, then --

25 THE WITNESS: I am not an accountant

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1 and these occurred in a unit that doesn't report  
2 to me. These are --

3 Q (By Mr. Frankel) Well, let me ask a more  
4 simpler question. And I'll be even easier.

5 A Okay.

6 Q Does the GTRC ever pay for anything without  
7 an invoice from the vendor?

8 A Okay. You're, you're mixing things up  
9 here. GTRC is the corporation and as the corporation  
10 if we are using corporate funds, I would not pay for  
11 something without an invoice. This is a GIT --

12 Q I got you. Okay. Okay. Fair enough. I  
13 got you. But within the GTRC, a vendor is not going  
14 to be paid unless they give you an invoice and you

15 don't know what the Georgia Tech rules are --

16 A Right.

17 Q -- that would have to be Georgia Tech?

18 A Georgia Tech will have to answer those  
19 questions.

20 Q Fair enough. When was the first time that  
21 you learned that Dr. Laskar was president and CEO of  
22 Sayana?

23 A President and CEO.

24 Q Yes.

25 A I knew he was founder and chairman. I

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1 don't know.

2 MR. FRANKEL: That's all I have.

3 CHAIRMAN MCGINNIS: Ms. Wasch, do you  
4 have anything else?

5 MS. WASCH: If I do, and I promise to  
6 be brief, I did just want to make certain that  
7 the hour and 18 minutes is going to be counted  
8 against Dr. Laskar's time and not mine.

9 CHAIRMAN MCGINNIS: Well, it was an  
10 hour and 15.

11 MS. WASCH: Fifteen, not 18.

12 MR. FRANKEL: On that issue, I  
13 understand the guidelines. I haven't agreed to  
14 the guidelines and feel that I am entitled to  
15 present whatever evidence I need to present  
16 however long it takes, but I understand those  
17 are the guidelines y'all have decided.

18 MS. WASCH: Okay. Just a couple quick  
19 things, Ms. Garton.

20 RE-EXAMINATION

21 BY MS. WASCH:

22 Q Mr. Frankel asked you whether you had  
23 investigated Mark Allen.

24 Is it your job to investigate anyone?

25 A No.

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1 Q Mr. Frankel also said that Georgia Tech  
2 Foundation dollars could be used at the discretion of  
3 a center director.

4 Is that true?

5 A Georgia Tech Foundation accounts are  
6 established and the funds can be used within the  
7 donative intent and following Georgia Tech's  
8 prescribed, well, they have allowable things that you

9 can buy with Foundation funds. They have the  
10 procedures that you have to follow for purchasing  
11 things and making payments. So within the Georgia  
12 Tech accounting system all those rules apply, but,  
13 and within the donative intent of the sponsor.

14 Q You also talked a bit about a, what we've  
15 called a memorandum of understanding among Dr. Allen,  
16 Dr. Laskar and you toward June of '09, around June of  
17 '09?

18 A Right.

19 Q Did it matter whether Dr. Laskar ever  
20 signed it?

21 A No. The, the understanding that we raised  
22 and documented for our auditors in June was the  
23 understanding that we were all working on for how we  
24 were going to address the Samsung overruns. And that  
25 is what we were using and the auditors were using as

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1 a basis for figuring out how much money we should  
2 approve for our allowance for that full account. And  
3 we wanted to be really transparent about that. So  
4 that was, that was the plan we had developed that  
5 memorialized and that was what we used to, you know,

6 for our records for how we were doing.

7 Q Are deliverables allowed in membership  
8 agreements and research centers?

9 A Memberships, a membership center is a group  
10 of sponsors that come in and fund research in a, in a  
11 broad area, a broad topic of research. And the  
12 deliverable to a specific sponsor are not generally,  
13 you, you really don't generally think about  
14 deliverables for a specific member because they are  
15 all sponsoring a general area of research. They all,  
16 all of the members in the center have the same access  
17 to the results of that research. Sometimes members  
18 will enter into a specifically directed research  
19 project or a specific research project that is a  
20 separate agreement apart from their membership, but  
21 all the members have the same benefit of the results  
22 of all the research that is done in the center.

23 Q If someone is becoming an educational  
24 member of a center, would they normally sign a  
25 membership agreement?

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1 A Not normally.

2 Q What would they do?

3           A     Not, I mean not, they would make a gift to  
4     the Foundation.

5           Q     And they would get what sort of document in  
6     return?

7           A     Thank you, acknowledgment letter. There is  
8     a letter that they use, that the Foundation  
9     development office used.

10          Q     And then a few other things here.

11                     Did GTRC lose any money as a result of  
12     these cost overruns at GEDC?

13          A     Well, the \$200,000 at Samsung and the  
14     651,000 with National Semiconductor. And then there  
15     was, there were funds that were, GTRC made available  
16     to the President's office as part of the equipment  
17     facilities and matching funds plan. And it is my  
18     understanding that 200,000 of that was used as part  
19     of addressing the Samsung overrun. And then there  
20     was some costs that were transferred off Samsung  
21     projects on to holding accounts and I think I  
22     currently have \$38,000 in the WIP balance for, for  
23     that.

24          Q     WIP balance being?

25          A     It's work in progress. It's work that is



1 a, again still in that overrun account that is yet to  
2 be addressed.

3 Q So what is the grand total for GTRC?

4 A GTRC is more than a million.

5 Q And did Georgia Tech lose any money as a  
6 result of these cost overruns?

7 A My understanding is about 2.3 million on  
8 the --

9 MR. FRANKEL: Your Honor, this is  
10 speculation. If she, she has already testified  
11 she doesn't know about Georgia Tech accounting  
12 systems. Now she's going to testify what  
13 Georgia Tech lost? I mean maybe somebody  
14 else told you, but --

15 CHAIRMAN MCGINNIS: Granted.

16 MS. WASCH: That's the last question I  
17 had.

18 CHAIRMAN MCGINNIS: Okay. Does  
19 anybody on the Committee have any questions of  
20 Ms. Garton before we release her?

21 I have a couple of quick questions.

22 THE WITNESS: Sure.

23

EXAMINATION

24 BY CHAIRMAN MCGINNIS:

25 Q Yamacraw, was Yamacraw a Georgia Tech

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1 research center?

2 A It was. Yes.

3 Q Or was it a partnership with the State?

4 I'm not sure.

5 A It was a State-initiated thing. And the  
6 State did provide some funding for it initially, I  
7 believe.

8 Q But the center director did report up  
9 through the EDP for research?

10 A You know, I don't remember where the center  
11 director reported. It might have been in ECE, it  
12 might have been in engineering. I don't remember.

13 Q Much has been made about this grandfathered  
14 out phrase. If as you say that manual compiled a lot  
15 of existing procedures in a single place, was there  
16 anything new added into the manual that somebody  
17 someone might have said we were grandfathered out of?

18 A There, there, I think that that, that may  
19 have originated because there is a, there is a

20 template for bylaws and membership that is a  
21 suggested model. But we didn't go back and make any  
22 existing center rewrite their bylaws. That's just a  
23 suggested template for people, if you are looking for  
24 a way to start a center, here is the best practices  
25 kind of thing.

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1 Q And the access question, would any center  
2 member even in Yamacraw have had access to do  
3 commercial work in the center?

4 A No, that certainly wasn't my understanding.

5 CHAIRMAN MCGINNIS: Okay. I suggest  
6 we take a break maybe till 11:20.

7 (A brief recess was taken.)

8 MR. MARSHALL: The understanding is  
9 that we will go forward and both parties agree  
10 that irrespective of what court may determine  
11 later as to the effect of this hearing that  
12 Dr. Laskar agrees this hearing may substitute  
13 for any other hearing and that the  
14 recommendation of the Committee will still be  
15 allowed to go forward and count as the due  
16 process hearing required of the Board of Regents

17 and Georgia Tech policy.

18 MR. FRANKEL: We're not going to raise  
19 the issue of an open meeting issue as any  
20 claim --

21 MR. MARSHALL: And we understand that  
22 you are waiving any other defects --

23 MR. FRANKEL: Anything else we are  
24 reserving, but on that issue we are clearly  
25 agreeing.

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1 MR. MARSHALL: Thank you.

2 MR. FRANKEL: Before we go forward I  
3 don't know how we deal with tendering of  
4 exhibits. I didn't actually tender the  
5 exhibits.

6 What do you want to do?

7 MR. MARSHALL: We have them all  
8 labeled. Is there any objection to the exhibits  
9 on either side that have been -- I need to shut  
10 up and let you do this.

11 CHAIRMAN MCGINNIS: Is there any  
12 objection to the way this has been done so far  
13 in terms of the exhibits?

14 MS. WASCH: And I would suggest just  
15 in terms of the efficiency that we submit  
16 everything at the end.

17 MR. FRANKEL: That's okay. I just  
18 wanted to make sure because sometimes we will  
19 object or we won't object. And why don't we do  
20 this then, Kate. Why don't we, if we have any  
21 objections we will deal with it at the end as  
22 well. They've already looked at them. To the  
23 extent they are going to be able to keep them,  
24 they are not going to get them until the end  
25 anyway.

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1 MS. WASCH: Right. Ready to go on? I  
2 have an hour and 12 minutes.

3 PHILLIP HURD,  
4 having been duly sworn, was examined and deposed as  
5 follows:

6 EXAMINATION

7 BY MS. WASCH:

8 Q Can you please introduce yourself to the  
9 Panel.

10 A I'm Phil Hurd. I am the Director of

11 Internal Auditing.

12 Q How long have you been employed by Georgia  
13 Tech?

14 A I've been employed for 11 years now.

15 Q How long have you been the Director of  
16 Internal Audit?

17 A I took over as interim in 2007. I had a  
18 successful job bid in 2008.

19 Q As an auditor, do you have any sort of  
20 certifications to allow you to do your job?

21 A Yes. I am a Certified Information Systems  
22 Auditor and a Certified Information Systems Security  
23 Professional.

24 Q Are these standard certifications?

25 A Yes, they are.

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1 Q Why did you audit GEDC?

2 A Well, Mark Allen and Jilda Garton  
3 approached me in late 2009, said that they had some  
4 cost overruns and they were concerned that the money  
5 had been spent twice. In January, as you can see  
6 from what is on the screen, Mark Allen sent me a  
7 formal e-mail saying we believe that the money has

8           been spent twice.

9                           MR. FRANKEL:  What Exhibit number are  
10                           we using?

11                           MS. WASCH:  This is GT0089.

12                           Q    (By Ms. Wasch)  Do you know why internal  
13                           audit was asked to review these cost overruns?

14                           A    Well, internal auditing has access to all  
15                           Institute records and we are the ones who would  
16                           identify any internal control weaknesses which is the  
17                           expected reason that you will have a cost overrun.

18                           Q    And did you go ahead and review the cost  
19                           overruns?

20                           A    Yes, we did.

21                           Q    What was the initial focus of your review?

22                           A    The cost overrun that initially started it  
23                           was on a contract called National Semiconductor and  
24                           it was about \$650,000 over and so Mark Allen was one  
25                           of the PIs on that and he knew that he hadn't gone

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1                           over budget.  And so he had requested that we look at  
2                           that and we did and we were able to determine where  
3                           that money went.

4                           Q    Did you review records other than those

5 relating to the --

6 A Yes, we did.

7 Q Why did you do that?

8 A Well, early on in the meeting or early on  
9 in the audit we had several meetings with folks from  
10 both GTRC and others that were suppose to have had  
11 some input. And one of the things that was  
12 particularly problematic to us was that that was not  
13 the only cost overrun in that unit. There was a two  
14 and half million dollar cost overrun on another  
15 situation. So what I did is I said, you know, this  
16 is, this is not appropriate given the control systems  
17 that we have so I made the decision to audit all of  
18 GEDC's finances.

19 Q How did you start to do that? What records  
20 did you look at?

21 A Well, one of the things we did we took the  
22 computers that belong to the accountants that dealt  
23 with the contracts in GEDC and GTRC. That was a  
24 preservation of evidence that and the reason for that  
25 was when you have that kind of extraordinary cost

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1 overrun or series of cost overruns given the control



2 systems and what we know at Tech I had the  
3 expectation that this was either one of the worst  
4 accounting snafus we had ever had or someone  
5 somewhere didn't want the money to arrive at the  
6 right place.

7 Q How did you organize the audit? Did you  
8 have more than one team?

9 A Well, we do have more than one team within  
10 internal auditing. We have an IT side and we have a  
11 financial and operational side. They, of course, the  
12 IT side is to look at the hard drives and the data  
13 that is on those. The financial and the operational  
14 side look at the finances out of our PeopleSoft and  
15 other information systems that are necessary to  
16 determine where the money went.

17 Q Did you review both of these?

18 A Yes, we did.

19 Q Did you find any evidence relating to the  
20 NSC cost overruns?

21 A We did.

22 Q What did you find?

23 MR. FRANKEL: Again, this is talking  
24 about an overrun that is not an issue here. My

25 client is not charged regarding the NSC overrun

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1 or the Samsung overrun and I question the  
2 relevance.

3 MS. WASCH: Again, this is in part of  
4 the background of the audit and the other part  
5 is to establish a pattern of conduct by  
6 Dr. Laskar and those under his supervision in  
7 dealing with funds in the GEDC.

8 MR. FRANKEL: A pattern of conduct  
9 cannot be used by a prior specific. Misconduct  
10 has to be exactly the same. That is an improper  
11 use of a pattern conduct and again these are the  
12 charges here and you allowed it to get some  
13 background. We got it through Ms. Garton. We  
14 don't need anymore background except for you  
15 throwing mud inappropriately.

16 CHAIRMAN MCGINNIS: It's clear that  
17 there were cost overruns. I don't know that we  
18 need to have a lot more testimony on cost  
19 overruns, per se. If this is going to move  
20 along reasonably quickly to the specific  
21 charges, then --

22 MS. WASCH: I have two more questions  
23 on this.

24 CHAIRMAN MCGINNIS: Okay.

25 Q (By Ms. Wasch) Is there a problem with GEDC

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1 directly billing NFC on behalf of the GTRC?

2 A Not as long as the money gets to the right  
3 spot.

4 Q And did that happen here?

5 A Yes, it did.

6 Q Did you find any correspondence between  
7 GEDC and a company called BAE Systems?

8 A Yes, we did.

9 Q And what was that correspondence about?

10 A It was a membership agreement. BAE had  
11 applied for membership. It was back and forth about  
12 the terms of the membership agreement and the  
13 contract signatures.

14 MR. FRANKEL: What number are we  
15 referring to?

16 MS. WASCH: It is suppose to be GT945.

17 Q (By Ms. Wasch) This is one of the  
18 documents you reviewed?

19           A     Yes, this is a e-mail from Chris Evans to  
20           Cathy Beam telling her that this membership would be  
21           in addition and as you see Chris Evans, courtesy  
22           copying Dr. Laskar and Mr. Strolli who was a  
23           representative of BAE. It says, "I've attached the  
24           GEDC membership for your review and signature.  
25           Please sign and return it to me. Details on how to

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1           transfer the funds are included in Attachment A of  
2           the document."

3           Q     (By Ms. Wasch) Could you please look at  
4           GT946, and is this the attachment to that e-mail?

5           A     It appears to be, yes.

6           Q     Do you know what this document is?

7           A     Yes. It's the membership agreement that  
8           was attached to the e-mail that went out.

9           Q     Is this a standard form GEDC membership  
10          agreement?

11          A     Partially. GTRC had given a template to  
12          GEDC and this is part of the template and part of a  
13          modified document.

14          Q     How is it modified?

15          A     Well, the Appendix in it refers to specific

16 instructions on where to send the money. As you will  
17 see it shows the annual membership value and it says  
18 send this to the Georgia Tech operating account at  
19 SunTrust Bank and it has a routing and account  
20 number. We traced that routing and account number  
21 back and that is actually the Foundation account  
22 rather than a Georgia Tech operating account. When  
23 we compared it with the template from GTRC the  
24 Appendix was very much different in GTRC's version.

25 Q Did BAE sign this agreement?

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1 A We believe that they did. If you will note  
2 this e-mail, Frank Strolli --

3 MR. FRANKEL: Your Honor, I would  
4 object to speculation. If he knows it was  
5 signed, that's fantastic. If he doesn't know,  
6 that is fantastic too. What he assumes or  
7 guesses is speculation.

8 Q (By Ms. Wasch) If you will look at GT949.

9 Is this one of the e-mails you reviewed in  
10 the course of your audit?

11 A It is.

12 Q This is an e-mail from BAE saying they

13 signed it?

14 A It is.

15 Q Did you find a signed copy of this  
16 agreement?

17 A No, we didn't.

18 Q Did you ask anybody about this signed  
19 agreement?

20 A Yes, we did.

21 Q Who did you talk to about it?

22 A We talked to Chris Evans. We also went  
23 over to the facility to look at it, but we were  
24 denied access to the records so we had to get  
25 Dr. Allen to intervene for us. And then the next

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1 morning when we went back we looked again but did not  
2 find any of the records.

3 Q You said you talked to Chris Evans. What  
4 did he tell you?

5 MR. FRANKEL: Object to the question  
6 as hearsay. Again, Mr. Evans can be called as a  
7 witness if he wants to testify, but he cannot  
8 testify secondhand through Dr. Hurd.

9 THE WITNESS: It's Mr. Hurd.

10 MR. FRANKEL: I'm sorry. Mr. Hurd.  
11 I'm not sure whether I promoted or demoted you.

12 THE WITNESS: I look at it as a  
13 demotion.

14 MS. WASCH: But we are looking at what  
15 Mr. Hurd and his team uncovered during the audit  
16 and why they then continued to look for other  
17 evidence.

18 MR. FRANKEL: My view is --

19 CHAIRMAN MCGINNIS: So you have  
20 established that he didn't find the agreement  
21 and couldn't get access to the agreement.

22 MS. WASCH: Right.

23 Q (By Ms. Wasch) Did any GEDC employees  
24 actually tell BAE to send its membership fee to the  
25 Georgia Tech Foundation?

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1 A Yes.

2 MR. FRANKEL: Again, I think what  
3 somebody told them to do, unless they have  
4 evidence of it like in writing is hearsay.

5 Q (By Ms. Wasch) Page GT950.

6 A Here you see Cathy Beam, the accountant,

7 sending to Walter Fabian at BAE Systems and she says,  
8 I'm the contact for this membership check. Please  
9 make this check payable to the Georgia Tech  
10 Foundation and have it sent to the following address.

11 Q Did you find any communications between  
12 Dr. Laskar and BAE regarding this corporate  
13 membership?

14 A Yes, we did.

15 MR. FRANKEL: Objection. Calling it a  
16 corporate membership. It is identified on its  
17 face as an education membership.

18 Q (By Ms. Wasch) I'm sorry. Regarding its  
19 membership. I will rephrase.

20 A Yes, we did.

21 Q Take a look at page GT952, please.

22 A In this e-mail you will see that Dr. Laskar  
23 is following up with Mr. Strolli. And he says, "It  
24 was good to speak with you today, as a follow-up, it  
25 would be helpful if you" -- "if there are some" -- I

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1 apologize. I am having difficulty reading this far.

2 "Some --

3 MR. FRANKEL: The documents are --



4           there's a notebook. We can give you a notebook  
5           of the documents.

6                         THE WITNESS: Well, this was not  
7           labeled --

8                         MR. FRANKEL: No, no, no. It's the  
9           yellow one. You had one. We'd be more than  
10          happy -- would that be helpful?

11                        THE WITNESS: Here we go.

12                        This is an e-mail from Dr. Laskar to  
13           Dr. Strolli where he follows up and he says,  
14           asked for a couple of technical things. And  
15           then he says, "The center membership renewal,  
16           even though that would occur in quarter one of  
17           2010, if we could get some confirmation this  
18           calendar year."

19           Q     (By Ms. Wasch) And if you look please at  
20           GT954.

21           A     This is e-mail from Dr. Laskar to Chris  
22           Evans. You have to look at the bottom here in the  
23           e-mail trail, and Dr. Laskar asks Mr. Evans to put  
24           together a list of what they got this year. And then  
25           he tells Mr. Evans "to quote Frank, we can make shit

1 up."

2 And then the next one you see is from Chris  
3 Evans to Dr. Laskar outlining the benefits and then  
4 asked if we should indicate they had a student  
5 fellow.

6 Q Did you find any correspondence between a  
7 company called Qualcomm and Dr. Laskar?

8 A Yes, we did.

9 Q If you could look at page GT955.

10 A This was an e-mail trail between Dr. Laskar  
11 and a gentleman named Hemanth -- I apologize if I  
12 didn't get the pronunciation exactly right. But  
13 essentially, and of course you can read the  
14 highlighted parts, but essentially Qualcomm is asking  
15 for some channel measurements on their 60 megahertz  
16 technology and Dr. Laskar is quoting them a number of  
17 a \$100,00 to do those measurements.

18 Q And did Georgia Tech and Qualcomm enter  
19 into a sponsored research agreement ultimately?

20 A No.

21 Q Could you look, please, at page GT956  
22 through GT957.

23 And how did Dr. Laskar tell them that he

24 wanted to do this agreement?

25 A Well, as you can see based on the number

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1 Mr. Hemanth comes back and says, okay, we have got a  
2 go-ahead from our upper management to engage the team  
3 on the 60 gigahertz channel sounding.

4 Dr. Laskar then e-mails Mr. Evans and says,  
5 the goal is to have this as a grant -- and that's  
6 that very first line up there. And then he asked for  
7 Steph to comment on the technical.

8 Q And how did Qualcomm want to structure the  
9 research? Look at GT961.

10 A You have to look at this bottom one down  
11 here, but GEDC was to be used as a subcontractor for  
12 the specific activity instead of a grant through  
13 University relations. Since this effort is so  
14 specific it seem like the appropriate approach. And  
15 then, of course, they are wanting to know about the  
16 IP policy standpoint.

17 Q And how did Dr. Laskar respond? Look at  
18 GT950.

19 A He sends over to Chris Evans and tells him  
20 that if Qualcomm doesn't give it to us as a grant the

21 price goes up.

22 Q Did anybody start on the paperwork for a  
23 sponsored research agreement with Qualcomm?

24 A Yes, we did.

25 Q Look at page GT972, please.

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1 Mr. Hurd, do you know whether the office of  
2 sponsored projects gave Qualcomm a price for the  
3 sponsored research?

4 A We did.

5 Q Do you recall what that was?

6 A \$157,000. Actually, I'm sorry. It was a  
7 \$155,700.

8 Q Okay. And that should be GT975.

9 How did Qualcomm react when they were told  
10 that their \$100,000 quote was now 155,700?

11 A They balked at that. They said if they  
12 had, that was way out of their budget for \$110,000.

13 Q If you look at page GT1002.

14 So Qualcomm balked and what is after that?  
15 Look at Dr. Laskar's response. Gt1002.

16 A You will see here Mr. Hemanth writes back  
17 to Dr. Laskar and says, "This revised quote is way

18 out of our budget of \$110,000. They had obtained  
19 permission based on the ballpark estimate of a  
20 100,000."

21 Dr. Laskar sends back and says, "The  
22 original proposal would be with the overhead at GT  
23 was \$156,000, which I believe was acceptable to  
24 Qualcomm. And then he follows up and says, "The  
25 simplest approach would be Qualcomm to provide an

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1 unrestricted grant to GEDC, this would allow us to  
2 maximize the resources from the original allocation  
3 of a \$156,000 and it's easily positioned as  
4 characterization of integrated circuits developed at  
5 GEDC."

6 Q And please look at page GT1007. And what  
7 happened?

8 A Qualcomm comes back and says -- did you  
9 tell me to look at page 1007?

10 Q Yes.

11 A Well, Dr. Laskar is sending to Mr. Evans  
12 here and to Joe Doroba along with Mr. Hemanth at  
13 Qualcomm. And he says, "I just spoke with Hemanth  
14 and we agreed we can move forward if the project can

15 be initiated as a grant of \$110,000. Chris will be  
16 in touch with you regarding the details on our side."

17 Q And do they ultimately reach an agreement?

18 A No, they do not.

19 Q Go to page GT1014.

20 Is this one of the e-mails you reviewed  
21 through the audit?

22 A Yes, it is. And this, this is the actual  
23 e-mail where they said, you know, we're just  
24 basically going to either do this internally or take  
25 our business elsewhere. The upper management, we

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1 tried hard to convince our upper management to issue  
2 a \$110,000 grant. Unfortunately due to the worsening  
3 business environment over the last month, only work  
4 for hire contracts may be issued out of our  
5 department. And so essentially we did not receive  
6 that money for that research.

7 Q In the course of your audit did you find  
8 any evidence regarding a company called Sayana  
9 Wireless?

10 A We did.

11 Q Look at GT1019. And is this some of the

12 evidence you found about Sayana?

13 A It is.

14 Q Did they make a gift to the Georgia Tech  
15 Foundation?

16 A They did.

17 Q And by whom was that suppose to be used,  
18 the gift? The gift to the Foundation for the benefit  
19 of?

20 A GEDC.

21 Q And did you -- did you look further at  
22 Sayana Wireless after seeing this?

23 A We did. One of the things that we did was  
24 when we began looking at all the finances we wanted  
25 to see who had contributed. When we saw Sayana pop

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1 up there, it was the only one not listed on their  
2 website so it kind of stood out to us.

3 What we later learned was that this was a  
4 company that Dr. Laskar and Dr. Pinel owned and so it  
5 kind of piqued our interest that a company for which  
6 it had the majority ownership giving money  
7 essentially to yourself to spend.

8 Q If we can look at GT150 through 169. It's

9 really through GT170.

10 Can you identify that document, Mr. Hurd?

11 A Yes. This is the incorporation documents  
12 of Sayana Wireless in June 23rd of 2006 and it's  
13 signed by Dr. Laskar and Dr. Pinel.

14 Q Does this document tell you how much of the  
15 company Dr. Laskar owns?

16 A Yes, it does.

17 Q And how much is that?

18 A If you go to the last page.

19 Q Page GT170?

20 A Yes. The schedule of units, 95 units to  
21 Dr. Laskar and 95 units to Dr. Pinel. Roughly  
22 100 percent of the company -- not roughly. Exactly  
23 100 percent of the company.

24 Q Did you review the Conflict of Interest  
25 form submitted by Dr. Laskar?

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1 A We did.

2 Q What did you find?

3 A Well, the --

4 Q That is page GT1031.

5 MR. FRANKEL: Say the page again.



6 MS. WASCH: GT1031.

7 THE WITNESS: We looked at the  
8 conflict of interest forms and we saw that  
9 Dr. Laskar had in fact listed himself as a  
10 technical advisor or an advisor to Sayana  
11 Wireless and it's that last line there.

12 Q (By Ms. Wasch) And this is for which year?

13 A This is the 2007 form. As you can see the  
14 date down there is 7/23/07.

15 Q And did you also look at the 2008 form?

16 A Yes, we did.

17 Q That's page GT1034.

18 A In this one Dr. Laskar listed himself as a  
19 cofounder of Sayana Wireless and he says that he  
20 spends less than one day a month working on it.

21 Q And the 2009 form on GT1036.

22 A Although the form changed, it was updated a  
23 little bit, it's essentially the same information.

24 On this one, though, Dr. Laskar says he has no  
25 conflict of interest with anything. And I direct

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1 your attention to question four there. "Are you or a  
2 family member engaged in any other activities or

3 relationships that could be perceived to have the  
4 potential for creating either a conflict or the  
5 appearance of a conflict with your Institute  
6 responsibilities" and his answer was no.

7 Q Did you find any other documents regarding  
8 Dr. Laskar's relationship with Sayana?

9 A We did.

10 Q Look at GT1038, please.

11 Is this one of those documents?

12 A This is an e-mail from Dr. Laskar to  
13 Ms. Garton courtesy copying Anita McKinney regarding  
14 his annual Conflict of Interest Disclosure. In it he  
15 says, "Sayana has no research programs with Georgia  
16 Tech and has provided grants to Georgia Tech for  
17 membership in GEDC following established guidelines  
18 for industry membership. Sayana has no overlap of  
19 personnel but has hired GT alumni and has filled  
20 internships, co-op, from Georgia Tech."

21 Q In the course your audit did you find any  
22 evidence that Sayana was engaging in business?

23 A We did. When this company came to the  
24 forefront we searched the e-mail files that we had  
25 and we found that Dr. Laskar and Dr. Pinel were

1 essentially managing the company, from our  
2 perspective, through Georgia Tech's research. It's  
3 so much so they had included their research contracts  
4 with ETRI which is a Korean laboratory that develops  
5 technology.

6 Q Is this one of the documents that you found  
7 regarding Sayana and ETRI?

8 A It is.

9 Q It is GT180.

10 A I'm there.

11 MR. FRANKEL: I would just make an  
12 objection for the record regarding this  
13 document. It's actually proprietary to ETRI and  
14 Sayana. It was taken off of a Sayana computer  
15 which was owned by Sayana. I'm not complaining  
16 about that, but it is proprietary and I'm not  
17 exactly sure the authority under which Georgia  
18 Tech thinks it can get proprietary documents  
19 from ETRI, and I'm not sure whether Georgia Tech  
20 has gotten permission from ETRI to use it in  
21 this hearing. But if it is proprietary to ETRI,  
22 then ETRI would need to give its permission to

23 use a proprietary document.

24 Q (By Ms. Wasch) I would like for Mr. Hurd  
25 to address the issue of where this was found.

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1 A Actually, it was found on his Georgia Tech  
2 machine as were all of these documents. When you  
3 institute your business -- or you run your business  
4 off of a Georgia Tech machine, all of the documents  
5 become Open Records information. We have been  
6 through this several times and we have actually had  
7 the attorney general --

8 MR. FRANKEL: I don't want to hear  
9 about legal opinions from an accountant. I  
10 think that is inappropriate.

11 MS. WASCH: He said it was discovered  
12 on a Georgia Tech machine. We didn't have  
13 access to the Sayana machines that I'm aware of.  
14 So that's where this document was found and that  
15 is kind of where we are going with it.

16 Q (By Ms. Wasch) Can you tell me whether this  
17 document was signed by Dr. Laskar?

18 A Yes.

19 Q Did you find any additional contracts with

20 Sayana on the Georgia Tech machine?

21 A We did. We found contracts, several  
22 different contracts from 2007, 2008 and 2009.

23 Q Is that GT307 there? I thought it was  
24 GT304. Okay. And then for 2008, we are looking at  
25 page GT498.

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1 And did you review these contracts?

2 A We did.

3 Q From your review of these documents, what  
4 business is Sayana engaged in?

5 A Sayana was developing 60 gigahertz  
6 technology.

7 Q And was Sayana required by these documents,  
8 by these contracts to purchase a specific chip?

9 A They had required STMicroelectronics which  
10 was available through a French company called CMP.

11 Q Did the Institute have any contracts that  
12 required these chips from CMP?

13 A Did the Institute have? No.

14 Q Did you find any evidence that the  
15 Institute paid CMP for chip applications?

16 A Yes, we did.

17 Q And which records did you review?

18 A PeopleSoft financials is where all of our  
19 records are stored regarding that. We were able to  
20 see that there were numerous payments made to CMP  
21 over the course of several years.

22 Q Did any of these records stand out?

23 A There were a couple that stood out very  
24 much so. When we laid the records side-by-side which  
25 is a technique that we have started doing over the

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1 past few years, we noticed that one of them did not  
2 match in terms of the way that the quote was compared  
3 to the others.

4 Q Look at page GT881, please.

5 And is this the one you are referring to?

6 A Yes, it is.

7 Q What was strange about it?

8 A Well, you really have to look at an  
9 original one versus this one, but -- and I just  
10 happen to have one on the table.

11 Q GT881.

12 A Take a look at -- pay attention to the  
13 formatting here of the block in the center, the

14 quotation number, the fonts, the signature and the  
15 letterhead. When you look at the other one, you will  
16 note there's no quotation number, there's no  
17 signature and if you scroll back up a little bit, you  
18 will see there's no letterhead. And also the font  
19 was very much different.

20 Q And was this July of '09 quote on GT818,  
21 was that actually from CMP?

22 A No.

23 Q How did that -- where did it come from?

24 A Well, we had expectations that that was  
25 created and we were able to prove that it was in fact

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1 created.

2 Q How did you find that it was created?

3 A In subsequent searches we were able to  
4 identify that Ms. Cathy Beam who was the accountant  
5 within the unit had created it using the old cut and  
6 paste method. If you look at the picture here, I  
7 literally mean she took one of the invoices or more  
8 and cut them up, used Wite-Out and a printer to  
9 create this quotation.

10 Q And that blue paper is something you put in

11 for purposes of identifying --

12 A Right. Yeah, because the -- if you look  
13 you can see this is, this is laid over. There are  
14 several other photographs that we have of different  
15 iterations of this.

16 Q And these are pages GT934 to GT940.

17 A Right. If you flip through the pages in  
18 the binder and you can see there are several other  
19 attempts to get it right. The blue paper is there to  
20 show you where the cuts were.

21 On page GT937 you will see there's a  
22 Wite-Out there and on GT938 you will see the Wite-Out  
23 line sort of disappears at the bottom as there were  
24 multiple copies. And you can see the iterations of  
25 it until finally they have the one on GT940 which is

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1 the one that was matched in our system.

2 Q That's the end product, GT940?

3 A Right. Exactly.

4 Q And what did you conclude about this quote?

5 A Well, the quote was created and it was put  
6 into the system because you cannot pay for funds that  
7 you don't have a purchase order on. You have to have



8 a quote to initiate the purchase order. When we  
9 began tracing the money back, we found that the  
10 payment was actually a partial payment for past chip  
11 runs, specifically in 2007.

12 Q How did you determine that? That it was  
13 for a 2007 chip run?

14 A Well, there was a series of e-mail trails  
15 back and forth and what we were able to determine was  
16 that Dr. Pinel had put in the orders for the chips  
17 for a couple of different fabrication runs and had  
18 not put in the appropriate quotation paperwork. So  
19 over the years literally this company, CMP, had been  
20 wanting payment and so there are dozens of e-mail  
21 trails back and forth regarding these payments and  
22 this is one of them.

23 MR. FRANKEL: What page are we on?

24 MS. WASCH: This is GT903.

25 THE WITNESS: But in it you can see

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1 that these chip runs for GT\_one July 2007 and  
2 GT\_2 July 2007, they owed \$258,000 Euros and you  
3 can see this is the accountants talking to each  
4 other. This is the total that Stephane has

5           already ordered with no purchase order number  
6           and nothing has been encumbered. So these three  
7           runs were what were at issue.

8           Q     (By Ms. Wasch) In the course of your audit  
9           did you find any issues regarding GEDC's management  
10          and Institute-owned computers?

11          A     Yes we did.

12          Q     A(indicating) what did you find?

13          A     Well, GEDC had the -- they would purchase  
14          computers and literally give them to both employees  
15          and students.

16          Q     Was that a violation of Institute policy?

17          A     Oh, absolutely. You cannot give State  
18          property away.

19          Q     Let's look at a couple of those. If you  
20          look at page GT124.

21                         MR. FRANKEL: I'm sorry. What's the  
22          number?

23                         MS. WASCH: GT124.

24                         MR. FRANKEL: Before we get to looking  
25          at the rules, could you show Dr. Hurd any

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1          documentation of these alleged stolen computers

2           because there's none in the exhibits you gave  
3           me. He says that's a conclusion he reached, but  
4           not a single document was produced. It is not  
5           mentioned in the charges, and I'm kind of  
6           surprised that it's being brought up right now  
7           because I have never heard of it. Tell me  
8           specifically where.

9           This one alleges that certain evidence that  
10          you used and caused others to use constitute  
11          offices, laboratory space, equipment and  
12          computer networking resources to other research  
13          and other business on behalf of Sayana without  
14          Georgia Tech authorization. It doesn't say he  
15          gave away computers to students or anything  
16          else, and there is not a single document in this  
17          notebook that talks about that.

18          Q     (By Ms. Wasch) Mr. Hurd, can you testify  
19          why you came to that conclusion?

20                 MR. FRANKEL: He needs to actually say  
21          how he came to the conclusion. I would like to  
22          know if it's a real charge because if it's a  
23          real charge I would actually like to respond to  
24          it, but if it is not listed as a charge, how was

25 Dr. Laskar suppose to respond to it?

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1 Q (By Ms. Wasch) Mr. Hurd, do you want to  
2 tell us how you found out --

3 MR. FRANKEL: First I want to talk  
4 about whether it is a charge or not.

5 CHAIRMAN MCGINNIS: So I think from  
6 the Committee's point of view these charges are  
7 written fairly broadly, but it does say, this  
8 specific charge says something about it includes  
9 equipment that would have been used by Sayana.  
10 So I would think that would be the burden of --

11 MR. FRANKEL: And perhaps he needs to  
12 talk about Sayana using this equipment rather  
13 than it being given away allegedly by  
14 somebody -- it wasn't mentioned to Dr. Laskar --  
15 to students by somebody because if it is what  
16 Dr. Laskar did and he allegedly used equipment  
17 to benefit Sayana and he caused it to happen  
18 that needs to be the testimony.

19 As to somebody at GEDC allegedly giving  
20 away computers to students, there's no evidence  
21 here.

22 Q (By Ms. Wasch) Mr. Hurd, let's try this  
23 again.

24 You said that you uncovered that evidence  
25 that GEDC employees gave away these computers.

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1 What evidence did you find?

2 A Well, we found Sayana personnel using the  
3 computers in GEDC. We also found where they had  
4 accessed our software via these computers. We also  
5 during subsequent searches found the computers in the  
6 Sayana office that we could track back to payment at  
7 Georgia Tech.

8 Q And again, does this violate the  
9 Institute's policy on equipment management?

10 A It does.

11 Q And we have 7.1 and we also have 7.3 on  
12 page GT127.

13 Does giving away Institute property violate  
14 this policy?

15 A Yes, it does.

16 Q Would you look at 7.7 on page GT122.  
17 Again, is this one of the applicable equipment  
18 policies?

19           A    It is.  This is the Board of Regents  
20 policy.

21                           MR. FRANKEL:  What page are you on?

22           Q    (By Ms. Wasch) And we also have on page  
23 GT128 a policy entitled Gift of Property.

24                           Is this the policy that governs giving away  
25 property?

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1           A    Yes, it is.

2           Q    At the conclusion of your investigation,  
3 but I'm not sure you even really concluded, but have  
4 you shared the results of your investigation with  
5 anyone at Georgia tech?

6                           Did you talk to Dr. Shuster?

7           A    Oh, yeah.  When we traced this money back  
8 particularly the \$50,000 that was at issue with us  
9 and there was a specific e-mail trail that changed my  
10 responsibilities from an internal audit to having to  
11 report it to the Board of Regents.  And so at that  
12 point I engaged Dr. Shuster, Dr. Allen and the  
13 President as well as Pat McKinna was in an interim  
14 position as the Chief of Legal and Compliance at the  
15 time.

16 Q After you spoke with them did you take  
17 further action to report it to the Board of Regents?

18 A I did. I am required under Board of  
19 Regents' policy that when I reach a point where I  
20 suspect that malfeasance may have occurred, I have to  
21 report it via a letter of malfeasance to the Board of  
22 Regents, specifically Associate Vice Chancellor John  
23 Fuchko.

24 Q And did you do that in this case?

25 A Yes, we did.

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1 Q Did you continue to investigate --

2 MR. FRANKEL: Can I stop? That letter  
3 has never been produced to me though I asked for  
4 it specifically. What letter are we talking  
5 about?

6 MS. WASCH: I don't think that's true,  
7 but I will be happy to give you a copy. But it  
8 has been produced a couple of times.

9 CHAIRMAN MCGINNIS: Is it in your list  
10 of exhibits?

11 MS. WASCH: No.

12 MR. FRANKEL: I'm just troubled by

13 using an alleged letter against my client that  
14 is not being produced to this Committee.

15 MS. WASCH: The purpose of talking  
16 about that is really to say this is where he got  
17 to in the investigation and issued this memo up  
18 the chain and then he was going on from that.

19 CHAIRMAN MCGINNIS: Can you produce a  
20 copy and provide it?

21 MS. WASCH: I have got a hundred  
22 copies of it.

23 Q (By Ms. Wasch) Once you issued that memo  
24 on April 14, did you continue investigating?

25 A We did. We continued to look at it and we

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1 found more and more evidence that Dr. Laskar had been  
2 using the microchips ordered from CMP to fulfill  
3 requirements outlined within his ETRI contracts as  
4 well, as I said, numerous e-mail trails that  
5 indicated the expectation of the use of Georgia Tech  
6 funds for his private business.

7 Q Did you find any exculpatory evidence in  
8 your investigation?

9 A We looked. We could not find anything.



10 MS. WASCH: Thank you. Your witness.

11 CHAIRMAN MCGINNIS: Before you start,  
12 just a process check here. We agreed to go  
13 until 1:00 o'clock.

14 MR. FRANKEL: While we will stop at  
15 1:00, I probably will go beyond 1:00, but we can  
16 start up the next day.

17 EXAMINATION

18 BY MR. FRANKEL:

19 Q The investigation that you did that  
20 resulted in a letter -- what date was that letter?

21 A April 14th.

22 Q The April 14. That is what's called a  
23 preliminary report sometimes?

24 A No, it is -- that is different. This is a  
25 requirement -- see, after the P-card issues the Board

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1 of Regents changed the policy and they said pretty  
2 much if I suspect, if I have a reason to suspect  
3 malfeasance even before I prove it, I have to report  
4 that.

5 Q Okay.

6 A And so that letter is just that. It says I

7 have reached a point in the evidence where I believe  
8 that there is reason to suspect.

9 Q Did you ever prepare a written report of  
10 your findings other than that letter potentially?

11 A I did -- not written as in --

12 Q Writing?

13 A Writing. Written as in a web-base  
14 presentation. There was so much evidence that it  
15 simply, it would have taken twice this much to  
16 prepare that. So what I did was I put together a  
17 presentation that outlined the specific points and we  
18 walked through it much as you have seen today,  
19 something very similar to that.

20 Q And this was done in or around April 2010?

21 A Yes.

22 Q Since April of 2010, have you done any  
23 additional investigation?

24 A We have.

25 Q And has that ever been written in any way?

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1 A Not at this time.

2 Q So, so far the investigation you have the  
3 Power Point or whatever presentation you did in or

4 around April of 2010 and we now sit ten months later  
5 at a termination hearing for Dr. Laskar where his  
6 career is on the line and he might be denied tenure  
7 and you haven't written a word down to see whether  
8 anything you've learned in the past ten months is  
9 relevant?

10 A I just told you we started at the \$50,000  
11 theft.

12 Q I'm asking you now since April 2010 to  
13 today we are almost eleven months -- I'm sorry -- out  
14 have you bothered to write down any new conclusions  
15 or anything new that you may have found? It's a yes  
16 or no answer.

17 A Then the answer is yes.

18 Q You did write it down?

19 A Yes.

20 Q Where is it?

21 A It is in the attorney general's office.

22 Q Is there anything for us to look at today  
23 to see your conclusions what you have done or not  
24 done?

25 A No.

1           Q    You were aware, were you not, that in the  
2           summer of 2010 after Dr. Laskar had been suspended  
3           without pay that his lawyers, me, asked for certain  
4           documents and information like proof that the chips  
5           went to ETRI.

6                    Did anyone ask you about those?

7           A    Yes.

8           Q    Did you look for proof that chips went to  
9           ETRI?

10          A    Yes.

11          Q    Did you find any?

12          A    Yes.

13          Q    What is the proof?

14          A    The proof was shipping documents. The  
15          proof was e-mails showing receipt from ETRI of them.  
16          The proof were the contracts that related to the  
17          specifics of what was needed.

18          Q    In fact, you found evidence of four  
19          invoices to ETRI, right? And only four.

20                    Is that right?

21          A    You know, off the top of my head I don't  
22          have a count of how many.

23          Q    Let's ask the question differently.

24 Whether you found however many invoices you found,  
25 did you match them up to the chip run?

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1 A Yes.

2 Q And you found out, didn't you, they only  
3 matched four chip runs, didn't you?

4 A Directly.

5 Q And that the other chip runs had no match  
6 whatever, right?

7 A No. That is not true.

8 Q Well, you had pictures of the chips, didn't  
9 you?

10 A We did.

11 Q Okay. Let's just show one as an example.

12 I am going to hand you what I am marking by  
13 hand as Exhibit No. 220. Let's look at that one.  
14 That is the January 2007 as an example.

15 A Uh-huh (affirmative).

16 Q Okay. And we see in here, we see an  
17 invoice, do we not, to ETRI?

18 A Yep.

19 Q Okay. And could you identify by page  
20 number which one that is? It may not be a clear page

21 number. There is a problem with some of the page  
22 numbers. Some were not produced and were printed off  
23 the computer that we were given.

24 On the -- it looks like that. What page  
25 number is it? Which page in the exhibit?

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1 A It's page two.

2 Q So you see an invoice on page two.

3 Is that what you are telling me?

4 A Yep.

5 Q Okay. What does it say? I am going to  
6 look over your shoulder if it's okay because I don't  
7 have a copy.

8 A Do you want me to read it all?

9 Q What does it say? It says test unit  
10 sample, doesn't it?

11 A Yes.

12 Q Dated 7/18/2007?

13 A Uh-huh (affirmative).

14 Q It says 20 naked CMOS dies including.

15 A Right.

16 Q And it gives the square millimeters of what  
17 that chip is. 5.1 times 4.1 equals 20.9 square

18 millimeters.

19 A Okay.

20 Q Did you have a chance to look at the front  
21 page? Did you have a chance to actually see what the  
22 actual chip that was ordered, what was the size was?

23 A No. This is a little bit above my skill  
24 set when you start talking about microchips. I can  
25 follow the money.

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1 Q Let's just try math for a second. When we  
2 look at the CMP order form for this particular chip  
3 and we go through the documents for GT January 2007,  
4 the size of the chip is five millimeters times  
5 six millimeters and yet the chips that were -- and  
6 there was 25 of them. That is what the order form  
7 says. And yet the chips were, that were sent to ETRI  
8 were five times three millimeters and there were only  
9 20 chips sent, right? You can see that from the  
10 form. Just look on the invoice.

11 A If you say so.

12 Q Well, look at it. It says -- I am looking  
13 at the wrong one. I apologize. It is not the right  
14 matching one. Look at the next one. There was two

15 in there. There is a third. If you look at it it's  
16 four pages in. It's test unit sample and it is  
17 exhibit -- there is no number, but it's 7/18/2007 and  
18 it is talking about this particular run and it says  
19 five times three. Not five times six, right?

20 A Well, it says here 5.058 times 3.150.

21 Q Right. And the actual chip that was done  
22 you can you see the picture of it, is five times six  
23 and you can see in the red lines on the color picture  
24 the part of the chip that was sent to ETRI.

25 Did you look at these color prints when you

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1 were there? They were on the computer.

2 A I have seen these color prints.

3 Q Okay. And so you know you could have  
4 looked and realized on this particular run, the  
5 January 2007 run, that though there were 25 chips  
6 that were five by six millimeters that ETRI got only  
7 20 chips that were half the size, right?

8 A Yeah.

9 Q Okay. Now, you physically have those chips  
10 don't you? Or you gave them to the attorney general,  
11 but they were seized. The chips still exist. They



12 were in Sayana's office and the remaining chips still  
13 exist, don't they?

14 A No, they were not in Sayana's office.  
15 There were in the GEDC lab.

16 Q They were in the GEDC lab. Regardless of  
17 where you found them, though, those chips exist;  
18 correct?

19 CHAIRMAN MCGINNIS: Which chips are  
20 you referring to now?

21 MR. FRANKEL: The chips that Sayana  
22 allegedly had produced for ETRI. All of the  
23 chips that we're talking about.

24 CHAIRMAN MCGINNIS: All four of these?

25 MR. FRANKEL: All of these. There's

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1 actually ten tape runs. We are going to go  
2 through them one-by-one. We are just looking at  
3 the first run, this January 2007 run.

4 Q (By Mr. Frankel) Those chips and all the  
5 other chips that Sayana had whether they were in the  
6 lab or elsewhere were found, right?

7 A No.

8 Q No chips were found?

9 A I didn't say no chips were found.

10 Q How many were found?

11 A Several, but those are with the GBI.

12 Q Okay. And before they got to the GBI, did  
13 you use any of the engineers at Georgia Tech or hire  
14 a specialist to measure them the way an engineer  
15 measures electrical chips?

16 A No.

17 Q Had you done that, you could find out  
18 exactly what chips are physically here in Georgia  
19 Tech and what chips are missing; right?

20 A I suppose I could have.

21 Q And so we certainly know although you don't  
22 know the measurements or the amounts, we know that  
23 some chips are still here at Georgia Tech not shipped  
24 to ETRI; right?

25 A I know that the GBI has some, yes.

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1 Q Okay. So we know exactly what I said, that  
2 there are some chips that were not sent to ETRI,  
3 right?

4 A Yep.

5 Q Okay. So we now know that contrary to your

6 prior testimony all of the chip runs that we're  
7 talking about, they didn't all go to ETRI; right?

8 A No, that is incorrect.

9 Q Then if they went to ETRI, why are they  
10 still here?

11 A Because you are misquoting what I said. I  
12 did not say that every chip went to ETRI. I said  
13 they were used for the purposes of satisfying the  
14 ETRI contracts.

15 Q They were used for other purposes too,  
16 weren't they?

17 A Oh, sure.

18 Q So in fact I think the numbers are kind of  
19 interesting. Let me see if I can find the numbers  
20 for you.

21 Did you bother with looking and seeing  
22 whether there were any dissertations written for  
23 these tape-outs?

24 A I did not.

25 Q But there are, aren't there?

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1 A I am certain they are.

2 Q Did you bother checking?

3 A I don't have to.

4 Q Why?

5 A That's not my part of it.

6 Q Well, who should pay for research for  
7 student dissertations? Should a company pay for it  
8 or should the University pay for it with research  
9 funds?

10 A Oh, Georgia Tech should.

11 Q Okay. So did you figure out of these chips  
12 that were run which ones were used for dissertation  
13 and articles so you could determine the number, the  
14 appropriate number that should be charged by Georgia  
15 Tech.

16 A It wasn't relevant to my investigation.

17 Q Why is it not relevant to know what Georgia  
18 Tech used versus what a company allegedly stole? Why  
19 is that not relevant?

20 A Oh, it absolutely is relevant but you see  
21 the chips were ordered. We traced this all the way  
22 back to 2007. 2006, Dr. Laskar orders these chip  
23 runs specifically to start these ETRI contracts.  
24 Yes, some students did some research, but they did it  
25 as he was fulfilling these requirements. So

1 Dr. Laskar is spending Georgia Tech's money taking  
2 these chips and the test results which is exactly the  
3 same thing that the companies like Falacom  
4 (phonetically) were willing to pay hundreds of  
5 thousands of dollars for, sending and selling those  
6 results to ETRI as part of these contracts and as a  
7 result enriching himself while not giving Georgia  
8 Tech anything back for it.

9 Q Georgia Tech didn't get anything back?

10 A Georgia Tech didn't get anything from  
11 Sayana.

12 Q Well, looking at the particular tape-out  
13 according to the documents that we have pulled from  
14 the Georgia Tech computer, by the way, the one that  
15 was seized that we have a copy of, six peer-review  
16 journal articles on that very chip. They mentioned  
17 it by name. Two dissertations by Georgia Tech  
18 students on that chip. Thirty-one published  
19 workshops, seminars, conferences, presentations and  
20 press articles on that chip.

21 Should Georgia Tech have paid for that?

22 A You know, I am betting that it should have.

23 Q Okay. But you are alleging that a hundred  
24 cents on the dollar was stolen by Sayana.

25 A Oh, it absolutely was.

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1 Q How on the one hand if a chip was used to  
2 produce 21 published papers for Georgia Tech students  
3 including two dissertations -- I'm sorry. I had the  
4 number wrong. I added up wrong. I apologize.  
5 Thirty-nine, thirty-nine published articles including  
6 six peer review and two dissertations used by Georgia  
7 Tech on these very chips, why is that stealing by  
8 Sayana? Why should Sayana have to pay a hundred  
9 cents on a dollar? Why shouldn't Georgia Tech pay  
10 part of that?

11 MS. WASCH: I'm objecting because he  
12 is arguing with the auditor about this.  
13 Mr. Hurd has testified what he found and didn't  
14 find and, you know, that's --

15 THE WITNESS: Can I answer the  
16 question, Kate, because there is a good answer.

17 MS. WASCH: Okay then.

18 THE WITNESS: What he is leaving out  
19 is many of those students were listed on ETRI's

20 contract. He was taking those students and  
21 telling them what to work on then taking that  
22 intellectual property. Sure, they got a paper  
23 published. Dr. Laskar got his research  
24 furthered and it was selling that to ETRI and  
25 others along the way.

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1 Q (By Mr. Frankel) And the evidence you have  
2 that ETRI got everything are the four invoices and  
3 what else?

4 A The contracts from ETRI. If you look at  
5 the very first contract you will see in the statement  
6 of work there are several folks listed there.

7 Q Right, but --

8 A There's three students who are listed  
9 actually went on to become Sayana employees. They  
10 were listed in 2006 while they were Georgia Tech  
11 students. They were not co-oping. They weren't  
12 doing anything. Then they became co-ops and then  
13 they graduated and they went to work for Sayana.

14 Q Isn't that exactly what GEDC is suppose to  
15 do? You are suppose to do research, create  
16 intellectual property and give an opportunity for

17 commercialization afterwards so you can hire  
18 students, have jobs for students, bring work into  
19 Georgia? Isn't that the very purpose, the opening  
20 lines of the mission statement of GEDC?

21 A Yep.

22 Q And doesn't Georgia Tech want its students  
23 to go to industry after they graduate?

24 A We do. We just don't want them to be taken  
25 advantage of along the way.

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1 Q Well, how is somebody taking advantage of  
2 them? They paid for an education. They did research  
3 and they prepared the dissertation on it and as part  
4 of that research they got on a job.

5 A Because their technology was already being  
6 used for commercial purposes and they got nothing for  
7 it.

8 Q Well, Sayana had a contract with GTRC to  
9 use the intellectual property, didn't they?

10 A They had a contract to use a license of  
11 intellectual property that existed in 2006. All of  
12 the creations along the way which by our evidence  
13 shows that there were 14 additional patents filed by



14 Sayana that they had no license to use those.

15 Q Well, let's go back to what you said was  
16 the ETRI contract. Where does it say in the ETRI  
17 contract that the ten tape runs are going to be that  
18 the chips are exclusively for ETRI?

19 A It doesn't say the ten tape runs. It gives  
20 a statement of work in last part and it says CMOS  
21 chip runs will be provided.

22 Q Clearly it says that, but it also says in  
23 those very same documents it has pictures of which  
24 chips are going to be done and there is not ten or  
25 more separate chips, are there? There is four. One

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1 for each collaborative agreement.

2 A Some of these are in fact products that  
3 were ordered to further the technology.

4 Q How do you know? You said that I have got  
5 to look at the ETRI contract. I did. I looked at  
6 all 200 pages of the ETRI contract?

7 CHAIRMAN MCGINNIS: Which exhibit is  
8 that?

9 MR. FRANKEL: It's under -- they start  
10 at -- the collaborative agreement, the first one

11 is GT180. And then you have, you will see later  
12 on and then you will start seeing the interim  
13 reports, THE GT198. And you will have reports  
14 along the way and in each of these they show  
15 pictures of the chips. They show pictures of  
16 the chips they used. Pictures of the chips they  
17 got.

18 CHAIRMAN MCGINNIS: Can you give me  
19 those numbers again.

20 MR. FRANKEL: Gt180 and then at GT198  
21 is an interim report and then you have got GT304  
22 and then afterwards is an interim report at -- I  
23 think it's GT324.

24 CHAIRMAN MCGINNIS: So is there any  
25 dispute that ETRI got at least one chip?

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1 MR. FRANKEL: ETRI got four chips, and  
2 Sayana will show this evidence later, paid for  
3 over \$500,000 of those chips. Sayana wrote the  
4 check.

5 THE WITNESS: Actually, that is not  
6 correct. That is not factual.

7 Q (By Mr. Frankel) Well, let's look at that.

8                   Did you go into Sayana computers and see  
9 whether they wrote checks?

10                  A     First of all, Sayana didn't have any  
11 computers. Georgia Tech had computers that Sayana  
12 had taken.

13                  Q     Did you got to the -- okay. Let's use your  
14 phrasing. The computers that Sayana had taken on  
15 those computers were the bookkeeping records,  
16 QuickBooks and what not for Sayana, right?

17                  A     Yes.

18                  Q     And you had bank statements for Sayana,  
19 didn't you?

20                  A     Some.

21                  Q     Okay. And on the bank statements you could  
22 trace four payments, four chips by Sayana, couldn't  
23 you?

24                  A     Yep.

25                  Q     And Sayana paid over \$500,000 for chips,

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1                  did it not?

2                  A     It did.

3                  Q     Okay. And the University paid \$1,089,000,  
4 right?

5 A Actually more now, yes.

6 Q Well, actually only paid 1,089,000  
7 according to what you've given me in this evidence.  
8 I counted them up. And of the chips that went to  
9 ETRI I counted those up, too. The dollar value if  
10 you used square millimeters is \$309,000 out of the  
11 1.6 million. That's if you just use -- if you say --

12 A Did you just say your client stole  
13 \$309,000?

14 Q No, I did not.

15 A Is that what you are eluding to?

16 Q No, I am not.

17 A Well, if you took \$309,000 of Georgia Tech  
18 property and sent it Korea, that's a -- I mean it  
19 doesn't matter if it's a TV, if it's a wall thing.  
20 You take property of Georgia Tech and you send it  
21 elsewhere, that's theft.

22 Q I appreciate your jocularly and I assume  
23 you don't consider this to be forced hearing and you  
24 up want to tell jokes, I don't. So if you want to  
25 listen to my question before you make smart-aleck

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1 responses I'll try to be better. It's probably my

2 fault, but I find that offensive.

3 MS. WASCH: I object. Mr. Frankel and  
4 everybody needs to calm down a little bit and  
5 not to interrupt my witness when he is trying to  
6 answer your question.

7 Q (By Mr. Frankel) What I said was that  
8 \$309,000 of chips went to ETRI and Sayana paid for  
9 more than \$500,000 of it.

10 How was that stealing?

11 A Because the chips are in a different time  
12 frame. See this was a contract over years. It  
13 didn't take place in a minute. Yeah, if it took  
14 place in a minute there might be some difference.

15 In 2006, in 2007, in 2008 all the way into  
16 2009, Sayana didn't pay for anything. The reason  
17 they had to pay for chips is because CPM said you are  
18 so far behind on your debt we are not going to give  
19 you any more chips. And literally that's why they  
20 had to steal the \$50,000. Our audit took place days  
21 after or started days after that check went out.  
22 That is why they had to stop. So yes, they did pay  
23 for it because they were screwed. They couldn't make  
24 their contract.

25 Q Let's be really clear. \$500,000 of chips

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1 were paid for by Sayana and only \$309,000 value of  
2 chips went to ETRI.

3 A That is not true.

4 Q Then tell me where it is not true.

5 A Because the misrepresentation here is that  
6 that the chips are what is valuable. It is the  
7 intellectual property. It is like when you go and  
8 you buy a painting. If you buy a Picasso or a Wiley,  
9 you are not paying for the paint. The paint probably  
10 doesn't cost a few hundred dollars. You are paying  
11 for the intellectual property, that masterpiece. And  
12 these documents that you have shown to me are full of  
13 that intellectual property, property that only  
14 Dr. Laskar, a brilliant scientist and Dr. Pinel and  
15 the students could create. Taking that intellectual  
16 property and then turning around and selling it to a  
17 private company such as ETRI without giving anything  
18 back to Georgia Tech.

19 Q I appreciate your --

20 A None of the appropriate protocols were in  
21 place. None of the cost centers, none of that.

22           Q    I appreciate your passion.  But Sayana had  
23           a contract to use the intellectual property of  
24           Georgia Tech and Sayana gave Georgia Tech a five  
25           percent ownership in GTRC -- GTRC had a five percent

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1           ownership and they followed the contract and they  
2           paid patent fees and other things totaling over a  
3           million dollars.  That's that what they were required  
4           to do under the contract.

5                     Why is it wrong for Sayana to use  
6           intellectual property that has a license to use it?

7           A    I didn't say it was wrong for Sayana to use  
8           intellectual property.  I said it was wrong for  
9           Sayana to use the facilities, to use the students, to  
10          use the computers that were purchased for Georgia  
11          Tech's research.

12          Q    Well, let's break it down.  Let's talk  
13          right now about the intellectual property.  Let's  
14          stop there first.

15                     Is it okay for Sayana with a license with  
16          Georgia Tech to use the intellectual property?  Yes  
17          or no?

18          A    Yes.

19 Q So we don't have to worry about the  
20 intellectual property now and the brain power of my  
21 client which I think is pretty great because that's  
22 the intellectual property, it belongs to Tech and  
23 there's a license.

24 We can put that to rest. Right?

25 A No.

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1 Q I'm sorry.

2 A The intellectual property, your first  
3 question was is it okay for him to use intellectual  
4 property that he was licensed. Yes, it is. The  
5 intellectual property created from 2006 to present  
6 was not licensed. All of the new things, the new  
7 patents, the new inventions that he came up with with  
8 Georgia Tech's money, resources, and time were not  
9 licensed.

10 Q You are not going to tell the members of  
11 this Committee that there were four to five  
12 amendments to that license agreement each one which  
13 incorporated the new licensing material, every single  
14 year?

15 A Yeah. There was an amendment. As a matter



16 of fact since Dr. Laskar decided to completely run  
17 his business off, all his communications with his  
18 lawyer were on there, one of which he said I know we  
19 are going to be screwed if we don't get this so let's  
20 make an amendment that will allow us to swoop in and  
21 grab this intellectual property if Georgia Tech  
22 Research Corporation doesn't agree.

23 Q Okay. Can you answer my question. Was  
24 there amendments to the licensing agreement, four to  
25 five amendments that licensed Sayana to use it?

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1 A Yes, there were amendments.

2 Q So although you may disagree and think it's  
3 wrong, the simple truth is that Sayana had the legal  
4 right by agreements signed with GTRC to use its  
5 intellectual property on these issues, right?

6 A No. That intellectual property did not  
7 include inventions from those times. It included the  
8 original licensing agreement.

9 Q And the amendments added in the new IT,  
10 didn't it?

11 A No.

12 Q Really? In all these exhibits here did you

13       bother to put together any of the amendments to the  
14       licensing agreement?

15             A     No.

16             Q     I notice the agreement that was shown to us  
17       didn't have any amendments. Did you?

18             A     No.

19             Q     Did you see them?

20             A     Yes.

21             Q     Why aren't they relevant?

22             A     Because these actions that Dr. Laskar and  
23       his folks took were selling Georgia Tech research for  
24       his private company. They didn't have the licenses  
25       to use it. There were 14 patents that we went we to

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1       our intellectual property folks with and said what  
2       about these. They didn't have any of them.

3             Q     Who are these people?

4             A     Kevin Wozniak is one of him. He is the  
5       Director of the Technology Licensing Department. He  
6       is the one that we go to for that.

7             Q     So you are relying on what someone told  
8       you. Did you ask Dr. Laskar about this?

9             A     I sure wanted to.

10 Q But you didn't?

11 A No.

12 Q And when you finished your preliminary  
13 report and had some thoughts that you thought were  
14 troublesome, did you give to it Dr. Laskar so he  
15 could look at it and evaluate it?

16 A No.

17 Q Did you give him a chance at all to say  
18 wait a second. You may be misunderstanding or have a  
19 explanation or anything.

20 You never gave him that opportunity, did  
21 you?

22 A Yes, actually was given an opportunity.  
23 The provost decided that he would conduct the  
24 interview because Dr. Laskar was such a prominent  
25 professor.

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1 Q And that was the one where you didn't tell  
2 him there had been results that he was being the  
3 target and that he had been turned in already to the  
4 Board of Regents and the attorney general and you  
5 secretly taped it?

6 Is that the one you were talking about?

7           A    I don't think it was a secret that I put  
8           the tape up there, but yes, that's the one.

9           Q    You didn't disclose. We've got a copy of  
10          the tape. You did not disclose to Dr. Laskar that he  
11          was being recorded like you did for everybody else.  
12          There was a checklist. Check, told them that it is  
13          being recorded. Check, told them the questions we  
14          were going to ask. Check. There's little check  
15          marks. Check, check, check, check, check.

16                    For Dr. Laskar, however, there's nothing.  
17          The tape starts off. We start the introduction and  
18          there's no, "We are recording this." There is no  
19          nothing.

20                    Why did you not tell Dr. Laskar we have  
21          serious information. We are making very serious  
22          allegations against you. We are going to record this  
23          and use it against you, but we are not going to tell  
24          you what the accusations are.

25                    Why does that happen?

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1                    MS. WASCH: I object it is  
2                    argumentative and compound to say the least.

3                    CHAIRMAN MCGINNIS: And we are coming

4 up to our 1:00 o'clock deadline and --

5 MR. FRANKEL: Let's comply with that.

6 CHAIRMAN MCGINNIS: I understand that  
7 there may be some things that have happened that  
8 Dr. Laskar has every reason to object to. I'm  
9 not sure that all of those are relevant to the  
10 specific charges that have been made. So that  
11 is sort of where we are.

12 Is there anything else that you would like  
13 to ask Mr. Hurd in the last minute here?

14 MR. FRANKEL: As long as I can have  
15 Mr. Hurd back in the morning let's stop now.

16 MR. MARSHALL: Okay. Now, we need to  
17 address our open meeting situation that has  
18 deteriorated since our last conversation.

19 MR. FRANKEL: We haven't done  
20 anything. Well that may be the problem. I said  
21 let's address our open meeting situation which  
22 seems to have deteriorated since we talked about  
23 it earlier. And Rebecca correct me if I  
24 misstate anything here.

25 The advice from Dennis and Jeff is that we

1 are violating the law. They will not support us  
2 and whatever criminal or civil sanctions might  
3 be available are on us as individuals.

4 So one thing they asked, they tried --  
5 (Several people speaking at once.)

6 MR. MARSHALL: Hang one, hang on.

7 MS. MICK: But one thing they went and  
8 they told the Red and Black case, but it  
9 specifically talks about the Board of Regents  
10 and a delegated body that gathered evidence and  
11 information and reported back to the President,  
12 and the Supreme Court was very --

13 MR. MARSHALL: Well, except the Red  
14 and Black case actually it was a final  
15 decision-making body of that group.

16 MS. MICK: That is true.

17 MR. MARSHALL: And this is not a final  
18 decision-making body.

19 MS. MICK: That's true.

20 MR. MARSHALL: And, of course, the  
21 Supreme Court also rewrote the damn law under  
22 the definition of committee, but we won't go  
23 there.

24

MS. MICK: This hasn't been

25

specifically litigated. There is no case on

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1

point, but, yeah, that is their position and

2

they were saying they talked to Belcher and he

3

just wants to sit in and said he wanted a couple

4

of photographs for his story. It does say, if

5

we do open it, it does say that he is allowed to

6

bring in that type of equipment. But I told

7

Dennis, you know, they can make their own

8

decision and I told him sort of where we were

9

and what we had agreed to and we left it at

10

that.

11

MR. MARSHALL: Okay. So any help you

12

guys can get, I do think the definition of

13

meetings frankly does not include this as I read

14

the statute, although the Red and Black -- the

15

Supreme Court in the Red and Black case sort of

16

misread the statute, but this is a different set

17

of facts. This is recommending body. They are

18

not decision makers.

19

MR. FRANKEL: And in fact, under the

20

Open Records Act investigations are specifically

21 exempted specifically including faculty  
22 investigations.

23 MR. MARSHALL: Right. So, you know, I  
24 think the Committee would certainly be grateful  
25 if you could try to interpose some objections --

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1 MR. FRANKEL: But where am I suppose  
2 to interpose this objection?

3 MR. MARSHALL: Well, I suppose in the  
4 Superior Court of Fulton County.

5 MR. FRANKEL: My issue, frankly, is  
6 just respect for the Committee. I don't know  
7 how to go to the Superior Court if I am here. I  
8 sometimes think of myself as clever with some  
9 humor, but I can't be in two places at once.  
10 And I don't know what guidance to give the  
11 Committee because I would share their concern  
12 about breaking a rule if there was a perception  
13 they were breaking a rule. My personal read is  
14 they are not.

15 CHAIRMAN MCGINNIS: Well, I'm going to  
16 tell you something right here, okay? As a  
17 Georgia Tech employee if you and your cohort



18 here tell me that I am personally legally liable  
19 for what goes on here if we don't let Richard  
20 Belcher in the room, I will not be back here in  
21 morning. So you need to get this figured out.

22 I am not going to participate in something  
23 that puts me at risk. I am perfectly willing to  
24 do what the faculty statutes say I am suppose to  
25 do and I will do that to the very best of my

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1 ability, but I am not going to let Georgia Tech  
2 put me in a position where I am legally liable  
3 for what goes on here. So I would say somehow.

4 MS. MICK: That decision needs to be  
5 made by someone else outside of the Committee.

6 CHAIRMAN MCGINNIS: Let me know by,  
7 you know, 8:00 o'clock tomorrow morning whether  
8 I should be here or not. But I mean I don't  
9 want to a real nasty guy, but that's just the  
10 way it is.

11 MS. VINEY: Well, I think I stand  
12 right behind you.

13 MR. FRANKEL: I think this should not  
14 be in front of witnesses. I just realized that

15 for whatever reason.

16 MR. MARSHALL: Would you mind stepping  
17 out?

18 MR. FRANKEL: If we are going to  
19 continue, but technically that shouldn't happen.  
20 I mean I can assure you I will go back to my  
21 office and do what I think is appropriate, but I  
22 can't imagine a court ruling that quickly.

23 CHAIRMAN MCGINNIS: But the problem is  
24 I am not a lawyer and so I can imagine a lot of  
25 stuff happening. And when I can imagine bad

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1 stuff happening to me, I am getting out of the  
2 way. And I don't want this to be delayed. I  
3 mean this is not right. So let's put the full  
4 faith and pressure of Georgia Tech behind trying  
5 to figure this out before tomorrow.

6 MR. GILLEN: So are we on for tomorrow  
7 unless somebody tells us that we are not?

8 MR. FRANKEL: That's kind of the  
9 question.

10 MR. MARSHALL: Well, unless the  
11 committee gets some clarification, I guess from

12 somebody, no. But I think we should all be  
13 prepared to be here tomorrow in hopes that there  
14 will be some clarification at a minimum the  
15 attorney general will not seek sanctions against  
16 the Committee members.

17 MS. MICK: I don't think they are  
18 going to do that. They are just saying, you  
19 know, that if it is something that can be  
20 litigated and they don't know if you can agree  
21 beyond the litigation in our.

22 CHAIRMAN MCGINNIS: But if --

23 MS. MICK: -- but it hasn't been  
24 litigated.

25 CHAIRMAN MCGINNIS: But again, I want

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1 to make this perfectly clear. If there is any  
2 chance that I am going to have to hire a lawyer,  
3 that Kate is not going to represent me, if I  
4 have to hire a lawyer, I am not coming back and  
5 so I need assurance.

6 MR. MARSHALL: Can we at least get an  
7 e-mail from Dennis or somebody that they are not  
8 coming after the Committee members?

9 CHAIRMAN MCGINNIS: I hope we get this  
10 worked out.

11 MR. MARSHALL: And then, Craig, to the  
12 extent we can, Craig and Rebecca, I don't know  
13 whether there's any way we can seek a  
14 declaratory judgment action or something else.

15 MR. FRANKEL: Richard, I have to  
16 research it. I have no idea. I mean I will be  
17 honest.

18 MS. WASCH: It is not the fight we  
19 came for.

20 MR. FRANKEL: I have a lot of  
21 knowledge, I think, regarding open records. I  
22 have none regarding open meetings.

23 MR. MARSHALL: And, unfortunately,  
24 reading the court decisions won't help you  
25 because they are very different than the

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1 statute. The most bizarre area of law in  
2 Georgia. Well, that's not true. It is one of  
3 the many bizarre areas of law in Georgia.

4 We are done for today.

5 (HEARING ADJOURNED.)



3 FULTON COUNTY:

4 I hereby certify that the foregoing  
5 transcript was taken down, as stated in the caption,  
6 and the questions and answers thereto were reduced  
7 to typewriting under my direction; that the  
8 foregoing pages 1 through 160 represent a true,  
9 complete and correct transcript of the evidence  
10 given upon said hearing; am in compliance with  
11 O.C.G.A. Section 9-11-28(d) and Section 15-14-37(a)  
12 and (b); and I further certify that I am not of kin  
13 or counsel to the parties in the case; not in the  
14 regular employ of counsel for any of said parties;  
15 nor am I in anywise interested in the result of said  
16 case.

17 This the 6th day of April, 2011.

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DEBERA J. PUCKETT, CCR, B-1188

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