

23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

636 OLD IVY ROAD

ATLANTA, GEORGIA 30342

(404) 365-9015

DISCLOSURE

STATE OF GEORGIA
COUNTY OF FULTON

Pursuant to Article 8.B of the Rules and Regulations of the Board of Court Reporting of the Judicial Council of Georgia, I make the following disclosure.

I am a Georgia Certified Court Reporter. I am here as an independent contractor for Deb Puckett & Associates.

Deb Puckett & Associates was contacted by the offices of Georgia Institute of Technology to provide court reporting services for this deposition. Deb Puckett & Associates will not be taking this deposition under any contract that is prohibited by O.C.G.A. 15-14-37(a) and (b).

Deb Puckett & Associates has no contract/agreement to provide reporting services with any party to the case, any counsel in the case, or any reporter or reporting agency from whom a referral might have been made to cover this deposition. Deb Puckett & Associates will charge its usual and customary rates to all parties in the case, and a financial discount will not be given to any party to this litigation.

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

20

21

22

23

24

25

3

1

INDEX OF EXAMINATION

2

3

WITNESS: JILDA GARTON

4

Examination by Ms. Wasch 7

5

Examination by Mr. Frankel 29

6

Re-Examination by Ms. Wasch 89

7

Examination by Chairman McGinnis 93

8

9

10

WITNESS: PHILLIP HURD

11

12

Examination by Ms. Wasch 97

13

Examination by Mr. Frankel 128

14

15

16

17
18
19
20
21
22
23
24
25

4

1 - - -

2

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

14 Kathryn Wasch, Esq.
15 Jessica Sentz, Esq.
16 Office of Legal Affairs
17 Georgia Institute of Technology
18 760 Spring Street, Suite 324
19 Atlanta, Georgia 30308
20
21 Rebecca S. Mick, Esq.
22 Senior Assistant Attorney General

14 Georgia Department of Law
15 40 Capitol Square
Atlanta, Georgia 30334

16 Also present: Patrick Jenkins, Associate Director of
17 Internal Auditing, Client Representative

18 -----
18 On behalf of Joy Laskar, Ph.D:

19 Craig M. Frankel, Esq.
20 LeAnne M. Gilbert, Esq.
21 Gaslowitz Frankel, LLC
22 303 Peachtree Street, N.E.
Suite 4500
Atlanta, Georgia 30308

23 Craig A. Gillen, Esq.
24 Gillen, Withers & Lake, LLC
Suite 1050
3490 Piedmont Road, N.E.
Atlanta, Georgia 30305

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

42

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,

43

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.

46

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).

48

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

49

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

51

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,

52

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.

56

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

57

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

58

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

59

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

60

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

61

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.

63

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

64

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

65

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

66

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.

67

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,

68

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

69

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).

71

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

72

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

73

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.

74

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

75

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

76

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?

77

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

78

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?

79

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.

80

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

81

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.

82

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

83

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

84

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

86

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.

87

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

88

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

89

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.

90

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

91

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?

92

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

94

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.

95

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.

96

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.

97

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.

98

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

99

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

100

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

101

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

102

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

103

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?

104

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

105

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?

106

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

107

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

109

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.

110

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

111

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

112

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

113

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?

114

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

115

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.

117

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.

118

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

119

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

120

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

121

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

122

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

123

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?

124

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.

125

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?

126

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.

127

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

128

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

129

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?

130

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?

132

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?

133

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.

134

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

135

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

136

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.

137

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?

138

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.

140

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.

141

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.

142

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

143

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?

144

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,

145

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

146

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

147

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

148

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.

149

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?

150

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

151

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.

152

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?

153

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

155

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 --

156

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

157

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

158

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

159

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

160

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.

18

19

20

DEBERA J. PUCKETT, CCR, B-1188

21

22

23

24

25

