

UNIVERSITY OF
SOUTHERN CALIFORNIA



Rebuilding Reputation

AN ARTHUR PAGE CASE STUDY

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Synopsis

- National college admissions scandal
- On March 12, 2019, fifty individuals, were charged in an investigation on the basis of committing federal program bribery
- Parents of students were caught offering financial compensation to those within the USC Admissions Office and athletic department in exchange for their children's acceptance into the university



USC's Mission

“The *development* of human beings and society as a whole through the cultivation and enrichment of the human *mind* and *spirit*. The principal means by which our mission is accomplished are teaching, research, artistic creation, professional practice and selected forms of public service.”



USC History

Judge Robert McLay Widney

- Doors opened in 1880, with 10 faculty and 53 students.
- Has grown to enroll more than 44,000 students and employ over 4,800 full-time faculty.

Corporate Snapshot

TOP 30 BEST SCHOOLS

- U.S. News has determined the rankings of best colleges through a methodical calculation process. USC ranked #22 in 2020.

RECRUITMENT AND STUDENT BODY

- 17% acceptance rate
- Prioritize diverse recruitment

FINANCIAL AID

- 2/3 of students receive financial aid
- 10% Increase within the past decade

A photograph of four students (three women and one man) sitting outdoors on a grassy area, possibly a campus. They are looking at papers and a laptop, appearing to be in a study session. The image is overlaid with a semi-transparent yellow rectangle.

Sentiment

RETENTION RATE

USC's retention rate has not dropped below 96% since 2013

PROFESSORS

Over 85% of students say that professors are passionate, engaging, helpful, and care about success

STUDENT LIFE

Ranked the #1 school for student life, design, film, and photography

Corporate Reputation

Repeated Scandals of 2019

- Common perception of institutional corruption, which could affect recruiting in the future.
- Applications to USC has decreased by over 7%.
- Stakeholders are hopeful that the school's impressive reputation will remain.



Previous Incidents

CARMEN A. PULIAFITO

- Former dean of medical school
- Forced to step down for doing illegal drugs with students
- Never reported to medical board

DR. GEORGE TYNDALL

- Campus gynecologist since 1990
- Accused of acting out of professional conduct with female patients
- In 2019, quietly asked to step down and not reported

MAX NIKIAS

- Accused of not addressing and reporting above faculty members. Stepped down

Crisis Timeline

MARCH 12

- Federal prosecutors charge 50 involved
- Interim President releases statement
- 2 faculty members fired

MARCH 14

- President Austin releases a secondary statement to the student body, updating them on remedial actions.

MARCH 19

- USC announces that students who may be connected with the scheme will be prohibited from registering during the investigation.

MARCH 25


- 12 defendants plead not guilty


Social Media Response

Minimal Communication

Aside from a single post from the main USC Instagram page when the scandal first broke, there has been virtually no mention of the issue on any platform.

The hashtag *#IGotIntoUSC* continued to be promoted daily on the USC admissions pages.

 **usc.edu**

 **USC** University of Southern California

Wanda M. Austin, Ph.D.
Interim President

March 12, 2019

Dear USC community,

I want to inform you of an ongoing wide-ranging criminal investigation involving universities nationwide, including USC. The government has made a public announcement and disseminated the charging documents. The federal government has alleged that USC is a victim in a scheme perpetrated against the university by a long-time Athletics Department employee, one current coach and three former coaching staff, who were allegedly involved in a college admissions scheme and have been charged by the government on multiple charges.

At this time, we have no reason to believe that Admissions employees or senior administrators were aware of the scheme or took part in any wrongdoing—and we believe the government concurs in that assessment. The government has repeatedly informed us that it views USC as a victim and that these employees purposefully deceived USC.

We have planned significant remedial efforts. We will take all appropriate employment actions. We will review admissions decisions. We are identifying all funds received that may be connected to the government's allegations. And we will be implementing significant process and training enhancements to prevent anything like this from ever happening again.

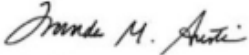
It is immensely disappointing that individuals would abuse their position at the university in this way.

As our work on culture and values continues, we must take the appropriate action when we become aware of behavior that is contrary to our values. I appreciate the efforts of the staff who diligently responded to the government's investigation, and for the broad commitment of our community to address problems as we learn of them.

We will continue to cooperate fully with all law enforcement and regulatory investigations.




Any media calls can be referred to the USC Media Line 213-740-2215.

Sincerely,



Wanda M. Austin
President

University of Southern California
Los Angeles, California 90089-0012 • Tel: 213 740 2111 • Fax: 213 821 1342

8,928 likes

usc.edu As you may have heard, this week the U.S. Department of Justice announced its investigation of a nationwide college admissions bribery scheme targeting some of the country's most prestigious universities, including USC.

USC Admission


3,028 Tweets

Tweets


Tweets & replies


Media


Likes


 **USC Admission** @USCAdmis... · 3/19/18


First-year applicants who interviewed for USC Merit Scholarships will be notified about their awards by the end of March.

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 56





 **USC Admission** @USCAdmis... · 3/16/18


Experience USC this summer! Check out our @uscsummer opportunities for high school students. bit.ly/2EY6l8m




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 **USC Admission** @USCAdmis... · 3/15/18


New Blog Post: Making the Big Decision - Believe it or not, admission decision season is finally upon us. It's time to rip/click open your admission decisions and figure out where you will be spending the next four years of your life. This will be a t... ow.ly/NO6r50gS3N2

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 **USC Admission** @USCAdmis... · 3/15/18

First-Year admission decisions will be mailed on March 22nd, and available online (you.usc.edu) on March 25th. Make sure to follow us on Instagram (@uscadmission) over the next week for more updates as we get ready to notif

Traditional Media Response

- Social media backlash started at the beginning of the scandal and continues to this day.
- Updates are published bi-monthly on average.
- Reported on all major outlets due to high-profile parents involved.



USC Response

STATEMENTS

From March 12-14, USC released several statements, updating the public on remedial actions.

"USC IS A VICTIM"

Clarified that it was the actions of a few employees involved in an outside college admissions scheme that “purposely deceived” the university.

AFFIRMATIVE ACTION

Immediately fired those at fault.



Sales Growth & Admissions

Enrollment

14% increased enrollment in 2018
2% decrease in acceptance rate

Formal Enrollment

Decrease in students who apply, are accepted, and eventually matriculate into the USC student body.

Timing

The scandal broke at a time when many incoming students were making decisions about which university they might attend in the fall.

Overall...

Minimal immediate financial damage that directly correlates

Long-Term Reputation

Prestigious

The school continues to be esteemed and seen as elite in the eyes of the nation.

Scandal-Plagued

They have been dubbed “the most scandal-plagued campus in America”.



Looking Ahead

THE WORST IS OVER

- A decade of scandal leaves long-lasting effects.
- The scandal targeted a vulnerable part of their image: "University of Spoiled Children", due to celebrities involved.
- They are actively moving away from the admissions scandal and forward towards improving integrity.



Discussion Questions

- ▶ **How did USC ensure they were telling the truth when addressing the recent admissions scandal?**
- ▶ **In what ways did USC prove their values with action?**
- ▶ **Did USC remember to listen to all of their stakeholders when dealing with the crisis?**
- ▶ **Do you believe USC under communicated, over communicated, or sufficiently communicated to the public regarding the alleged admissions scandal and what informs your perspective?**



Further Questions?