

University officials cleared of impropriety

FAIRBANKS — After a week on the University of Alaska campus here probing financial affairs of the statewide institution, State Commissioner of Administration Bill Allen said today he has found no evidence of improper conduct by university officials.

"There have been no improprieties," he said. "Some reports in the press have alluded to dishonesty and corruption in the university. We find nothing to indicate that."

Allen and state internal auditors were sent to Fairbanks by Gov. Jay Hammond after the university disclosed it was experiencing a cash flow problem and would need financial assistance to get through the current fiscal year.

"We've found that the university has a lot of problems in the accounting and fiscal areas," Allen said. "However, these are

not unique to Alaska and can be cured. Many colleges and universities throughout the nation have had identical problems."

Allen also said he has found no impropriety regarding the overpayment of some \$300,000 to the insurance company which

formerly held the contract for the university's health insurance program.

Allen continued:

"Statements made in the press indicated that university officials could have taken the money, misused it, but there is nothing to indicate that they

did."

Allen said he feels much of the criticism of former university vice president Max Hullinger is unfounded.

"During my stay here some very reckless statements have been made in the press concerning Mr. Hullinger," he said. "I feel these statements are very unfair. I'm not in the position to gauge his capabilities as an administrator, but from our audit we have determined he isn't a dishonest person nor has he taken advantage of his position with the university to benefit personally."

Regarding the university's short-term need for state financial assistance to get through

the current fiscal year, Allen said he expects to know early this week the amount of assistance that will be needed.

As for the long-term needs of the university, Allen said:

"Return of the university's accounting to sound financial footing is something that's going to take several months. — it can be accomplished and with the cooperation of the university, regents, legislators and the governor it will be accomplished. We all have the same concern to correct the problems and restore the credibility the university needs." University officials, he said, "have assured their total cooperation and this is what we've been getting."