

February 21, 2013

Mr. James P. Clements, President  
West Virginia University  
1500 University Avenue  
Stewart Hall  
Morgantown, WV 26506

Re: Proposal #9002782X  
Athletic Sponsorship and Media Rights

Dear Mr. Clements:

I am in receipt of a letter from Mr. William H. Hutchens, III, Vice President for Corporate & Legal Affairs and General Counsel, wherein Mr. Hutchens indicates he is responding on your behalf to the letters I forwarded to you on February 8 and 13, respectively. Mr. Hutchens goes on to say that "West Virginia University is considering your communication as a complaint or protest regarding procurement activities or actions in the third tier media rights RFP process referred to in your letters." First, let me say that although my letters address the above referenced Proposal, my concerns are much broader than just this bid process.

Moreover, I am not sure what Mr. Hutchens means by the use of the words "complaint or protest". I assume he uses those terms to have the meaning of "complaint or protest" as those terms are used in the WVU Procurement Rules. I do not believe, however, I have ever indicated in any of my previous letters that I was filing a "complaint or protest" under the WVU Procurement Rules. It is my understanding that right is reserved to our companies right up to and including 5 days after a formal award of contract is made which we know has not happened as of yet. In addition, I have not been able to obtain confidential information and documents from WVU Purchasing relevant to the bid process in that Mr. Tim Bostonia has informed our companies that such information is not available for disclosure until a contract award has been made. Mr. Bostonia has stated to us that he will immediately notify us on the date when such an award is made. Based on this alone, it would seem fruitless at this time to file such a protest. Certainly, Mr. Hutchens must be aware of this.

In any case and not to overstate the obvious, I was wondering why Mr. Hutchens was not filing his own protest to the bid process due to the fact that the whole process is defective since WVU did not follow its own Procurement Rules or those of State Purchasing. You will recall in a Charleston Gazette article, Ms. Lofstead, University spokesperson, stated that "the University followed the State procurement process for this bid." I believe that if you would check with either the State purchasing regulations or the State Purchasing office, you will find that this bid process did not comply with the State procurement process that Ms Lofstead alluded to in the February 7 article. Based on the foregoing, I do not understand why Mr. Hutchens is asking me if I have a "complaint or protest;" he should have his own "complaint or protest" which would include an



immediate cancellation and rebid of the whole bid process. The failure to follow State and University purchasing rules and regulations is, as the old saying goes, as “clear as mud” in this matter. I would like to ask you why is Mr. Hutchens not ordering a cancellation and rebid of this process? He has also indicated to me in his above referenced letter that the “Chief Procurement Officer is handling this review as per WVU procurement regulations.” We are at least glad to see that somebody is following WVU’s procurement regulations even though it is coming in the review process and not the bid process.

I want to make sure that nobody is mistaken with regard to our motives in this matter or that we suffer a bad case of “sour grapes.” I want you to know that should WVU cancel and rebid this Proposal, which WVU obviously needs to do, none of our companies will submit a quote to any Request for Proposal that WVU should issue with regard to the matters set forth in the above referenced Proposal. However, we are reserving all of our rights and remedies with regard to this bid process should WVU not cancel and rebid as well as the right to bid on any other WVU RFP’s.

In my prior letters to you, I have inquired about several matters that in my opinion, as well as the opinion of others, raise serious public integrity concerns.

This is why I have asked the Attorney General to investigate these matters. My recollection is that he ran on a “public integrity” platform this fall and has initiated a “public corruption unit.” I am not suggesting at this time that any public corruption occurred here but it is obvious to all concerned that the purchasing process for this Proposal was not in compliance with either State or University purchasing rules and regulations. This needs to be looked into by the Attorney General.

Mr. Hutchens also asked me to “transmit any other information you may wish to...” Before I do that, I would request that you fully and in a transparent way respond to the issues I have already raised. Mr. Hutchens stated in his letter that I would be “receiving responses to your other inquiries under separate cover.” When will I be receiving this? Since I have not received this information as of the date of this letter, I would like to make a few more requests of you, e.g., I would like to ask you again a question with regard to the first year that Oliver Luck awarded the Coach Huggins show to WV Media. As we know, Coach Huggins is a WV Media investor. It is my understanding that WVU received substantially less money than it had previously received for the show. If my understanding is correct, why would WVU agree to be paid less than it had previously been paid?

Even more importantly, I note from the disclosure of the WVU Athletic Department’s financial statements that the Athletic Department shows an initial debt or loan from the WVU Foundation of \$2,283,784.32 and with a remaining balance of \$1,998,258.78. As I understand it, the initial loan was an eight year no interest loan with the final payment due on July 20, 2017. This loan was described as being for scoreboards (Mountaineer Field and the Coliseum) and is the only loan the Athletic Department has ever received from the WVU Foundation. I have previously asked you for records and documents that pertain to the bid process for these scoreboards. I currently have no response to this. I assume that state funds are the repayment mechanism for these loans. If this is the case, the public is entitled to have information on this bid process for the acquisition of these



scoreboards. I would ask you if State or University purchasing procedures, rules, or regulations were complied with in the acquisition of these scoreboards? By law, can a State agency contract past a current fiscal year or incur debt? My understanding that these scoreboards are Panasonic. Are there other Panasonic scoreboards, televisions, monitors or digital signs that are now either leased, owned or gifted to WVU? Where did they come from and do they have a connection to the scoreboard transactions? Were the individuals involved in these transactions, either individually or on behalf of some entity, either investors in WV Media or relatives of investors in WV Media? What specific WVU accounts are used to repay these loans? I would request that you provide me with the specific WVU account numbers where these payments originate from and how many payments have been made to date. Please treat this letter as a request under the West Virginia Freedom of Information Act for all records and documents pertaining to the scoreboard transactions.

I would also like to inquire as to whether you have asked Mr. Andrew Payne to resign as Chairman of the Board of Governors and as a member of the Board of Governors as a result of his conduct, actions and statements with regard to the issues I have either raised in this letter or prior letters and his statements to the media. Such conduct, actions, and statements are unacceptable for a person holding the lofty position of Chairman of the Board of Governors of West Virginia University. Moreover, it appears you have others on your Board of Governors with similar conflict of interest issues. It has also been reported in the media that another prominent member of the WV Media group, being Marston Becker, was a WVU Foundation Board member during the WVU Foundation's acquisition of \$7 million in WV Media stock. From media reports, it is further my understanding that Oliver Luck served on the Board of Governors with many of these same people before he was elevated to the position of Athletic Director.

I am not writing to you to correspond with your lawyer. I am writing to you as the leader of West Virginia University. The time for leadership is now.

Sincerely,

John R. Raese  
President and CEO

cc: David A. Raese  
Patrick Morrissey, Attorney General