



**MEMORANDUM**

To: USC Students, Faculty, and Staff  
From: Jerome A. Lucido, Vice Provost Enrollment Policy and Management *J. Lucido*  
Subject: Student Loan Investigation and USC  
Date: April 6, 2007

Office of the Provost  
Jerome A. Lucido  
Vice Provost for  
Enrollment Policy and  
Management

You may be aware of the investigation by the Attorney General of the State of New York into student lending practices. On Wednesday afternoon, April 4, 2007, the university received a letter from New York Attorney General Cuomo informing us that our Director of Financial Aid, Catherine Thomas, is being investigated in connection with the ownership of stock in a student lending company.

We want to assure you that we take this matter very seriously and are moving aggressively to resolve this situation. We moved immediately to establish an internal review of the allegations, and we have put Ms. Thomas on paid administrative leave pending the completion of our review. Dean of Admission and Financial Aid Katharine Harrington is now personally overseeing the operations of the Financial Aid Office.

While our review is ongoing, the case appears to be isolated to a single individual who may have violated our policies. Additionally, we believe there have been no adverse financial consequences for our students and their families. Please know that it is our policy not to recommend any lender. We routinely publish a list of lenders that have historically provided good rates and good service as a resource for our students and families. We have removed Student Loan Xpress, the lender identified in the investigation by the New York State Attorney General, from our lender list pending a complete review of the facts.

The university remains committed to the highest standards of ethical behavior in all of our activities. The university's Code of Ethics adopted by the USC Board of Trustees March 28, 2004 says, in part

*We promptly and openly identify and disclose conflicts of interest on the part of faculty, staff, students, trustees, and the institution as a whole, and we take appropriate steps to either eliminate such conflicts or insure that they do not compromise the integrity of the individuals involved or that of the university.*

We are taking all appropriate steps to ensure that this policy is fulfilled.

University of  
Southern California  
3551 Trousdale Parkway  
Bovard Administration  
Building 102  
MC 4019  
Los Angeles,  
California 90089-4019  
Tel: 213 740 2101  
Fax: 213 740 7606  
e-mail:  
jlucido@usc.edu