



AMERICAN UNIVERSITY

W A S H I N G T O N , D C

TRAVEL AND EXPENSE RECORD

FISCAL YEARS 2004 and 2005

Benjamin and Nancy Ladner

May 3, 2005

INTRODUCTION

Below is a description of the context within which expenses are incurred either for University-related or personal expenditures.

A. Food & Beverages

When we arrived at American University in 1994, we were urged by the Board of Trustees to increase the social and entertainment activities of the President and the President's wife, both within and outside the President's Residence.

In order to establish a baseline for the equitable distribution of personal and University-related costs, in cooperation with the Office of Finance, we monitored our expenses during the first year (Fiscal Year 1995). On the basis of that, the Finance Office and we determined that an equitable and efficient arrangement would be to charge all food and beverage purchases to the University, and at the end of each year to charge a percentage of that amount back to us as personal costs, using FY95 as a baseline.

The rationale for this approach was two-fold. First, because of the size and regularity of events, it is necessary to purchase food and beverages in bulk. Second, the actual costs for food and beverages associated with University-related events far exceed that of our personal consumption. For example, during the past two fiscal years covered by this audit, the low-end University-related events in the President's Residence averaged roughly \$1,500, while the high-end costs of some events exceeded \$7,000. The fact is, because we have continued to apply the same percentage distribution established by the FY95 baseline, we are almost certainly partially subsidizing the costs of University-related events, which have increased significantly over the past ten years. (See Attachment 1)

B. Furniture & Accessories

When we first moved into the President's Residence, our personal possessions made up the majority of the furniture and accessories in the Residence. Over time,

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and with the permission of the Board of Trustees, we have sought slowly to replace our personal furniture and accessories with those owned by the University. However, because there are a number of large or unique pieces (couches, chairs, buffets, silver, crystal, etc.) and because replacing them would be at great expense to the University, we have continued to use our personal possessions in the public (and private) areas of the Residence. Unfortunately, the majority of events in the Residence require the complete emptying out of all furniture and accessories in the living room, great room, and/or dining room. The wear and tear— and sometimes damage— to our personal possessions is something we have absorbed, but we probably should think about moving to a completely University-furnished Residence sometime in the future.

C. Automobile

As specified in my contract, the University provides me with full use of an automobile and driver, including all operational expenses. Similar to the arrangement for the distribution of personal and University-related costs for food, I declare a percentage of total expenses for the car each year that is charged as a personal expense— this past year, 10% (see Attachments 2 and 2-a).

My contract also specifies that for her full-time work as the University's "First Lady," the University covers expenses for Mrs. Ladner's automobile, including leasing, insurance, maintenance, repairs, and gasoline. With respect to her car, however, we bear a significantly larger personal expense. Although my contract provides for the full cost of leasing Mrs. Ladner's automobile, we have elected to charge the University only a portion of the actual lease charge. The total monthly lease expense for her car is \$940.29; however, we claim reimbursement for only \$440.29— a savings to the University of \$500 monthly and \$6,000 annually. Coupled with the 10% personal assessment on my car, the \$500 a month personal cost we absorb for Mrs. Ladner's car more than covers the partial use of these vehicles for personal purposes.

D. Purchases in Other Cities

Because Mrs. Ladner spends full time in her volunteer role serving the University, she is constantly seeking to purchase items at low prices that will enhance the function and appearance of the President's Residence. Although on personal travel in places such as South Carolina, North Carolina, or Pasadena, Md, she spends time looking for bargains to meet the ongoing needs of the Residence.

In Pasadena, MD, most of the items are purchased from Marshall's, a discount store. She fairly regularly buys "hostess gifts," which must be kept in stock for luncheons and dinners in the Residence or for other social events she attends in Washington on behalf of the University. In South Carolina, she has bought table linens, silver pieces, or other items needed to furnish the Residence. During the past two years, she also purchased two office chairs in South Carolina for the family room/office in the Residence— at considerable savings compared to Washington prices.

In North Carolina, she has purchased wine glasses to meet the Residence's need for glasses that are attractive yet able to fit in a commercial dishwasher. She paid \$9.99 per stem for a set of 36 glasses, an extremely low price.

In all these places, she also buys holiday gifts to meet the high demand for these items at University-related events during special seasons

She receives no reimbursement for spending her personal time in these settings to search for and purchase items for the University.

E. Mrs. Ladner's Role

For the past eleven years, Mrs. Ladner has been a full-time volunteer for the University, working without compensation to advance the interests of AU locally, nationally, and internationally. Her responsibilities include:

- training, managing, and evaluating the residence staff;
- planning a wide array of events;
- procurement;
- hosting official dinners, receptions, seminars, and other events within and outside the residence;
- providing interior design expertise;
- representing the University to a variety of external constituencies, including social, cultural, political, educational, and charitable events; and
- accompanying the President at social, political, academic, admissions, alumni, student, athletic, and fundraising events, including with heads of state, dignitaries, celebrities, academic and religious leaders, and potential donors – both here and abroad.

If one were to select just one aspect of her responsibilities— event planning— and pay her a salary comparable to event planners employed by American University, she could be paid more than \$100,000 annually. Over the past eleven years, in performing this function alone for AU, she has saved the University more than \$1 million. But, of course, she performs many other functions, all of which have a significant and positive impact on American University's influence and stature.

While her University-related expenses can be accounted for, as the documents in these reports show, one should be aware of the larger context in which she uses her personal time, expertise, and good will without compensation.



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May 3, 2005

I. Calendar of University-Related Events at the President's Residence*

*Note: Mrs. Ladner's assistant, Sally Ekfelt, advises that not all events have been systematically recorded on the calendar. This practice will be followed rigorously in the future. Such events include some major social events (luncheons, dinners, etc.) as well as scheduled meetings in the Residence with the Residence staff, university staff (facilities, financial, dining services, campus life, development, transportation, campus police, event planners, individual schools and colleges, student groups, etc.), outside vendors (tent providers, pond cleaners, food suppliers, interior designers, furniture and rug dealers, utilities repair, security systems, etc.), and staff of visiting U.S. and foreign dignitaries, plus FBI, CIA, White House Secret Service, media representatives, etc.)

February 2003

- 26 Meeting w/Jeff Ryder, Alarm Systems
- 27 AU Board of Trustees Reception/Dinner

March 2003

- 3 President's Office Staff Events Meeting
- 25 Reception/Lecture: Dr. Fruzsin, Sr. Vice President, ABB, Inc.
- 31 Greek Week Reception

April 2003

- 2 WAMU-FM Community Luncheon
- 14 Meeting w/ Tent Installers
- 16 Meeting with architects & interior designers
- 22 Student Leaders Reception
- 25 Honors Students Reception
- 28 BL/NL Photography Session w/ Billy Howard (Atlanta)
- 28 Meeting w/ architects & interior designers
- 29 Student Ambassadors Reception

May 2003

- 10 Dinner: Ted Sorenson
- 15 Garden Club Luncheon/Party

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June 2003

- 11 AU Interior Designers
- 12 Lavinia Lemon Interior Design Team

July 2003

- 24 40 National Landscape Architects Tour and Photograph the Residence Gardens
- 25 Castaneda Luncheon

August 2003

- 6 Vice President Aliku Abubakar of Nigeria, Breakfast
- 6 Vice President of Nigeria Meeting
- 6 Vice President of Nigeria Luncheon
- 9 Security System Meeting
- 9 Lavinia Lemon Interior Design Team
- 11 Window Cleaners

September 2003

- 2 Degage, Painting Consultants
- 7 Lomax Antiques
- 7 Meeting w/ AU technology-communications staff
- 10 Meeting w/ Liz Kelly
- 17 Alison Sackman, Kellogg Collection Meeting
- 21 Academy Award Winner Russell Williams, Reception
- 22 Interior Designers Meeting
- 24 Luncheon, Consortium of Universities of Washington

October 2003

- 27 Garage Repair
- 28 AU Security Meeting
- 30 Dinner for BL Birthday
- 31 Alison Sackman, Kellogg Collection Meeting

November 2003

- 5 President of Bolivia, Gonzales Sanchez de Lozada, Dinner
- 6 AU Board of Trustees Reception/Dinner
- 13 Interior Designers & Technology Staff Meeting
- 14 Interior Designers Meeting
- 17 Residence Staff Luncheon
- 18 AU Telecommunication Repairs

December 2003

- 2 Student Leaders Reception
- 4 Safe/Lockbox Vendor Meeting
- 11 Tom Bertrand, Institute of Peace, Dinner
- 23 Furnace Repair

January 2004

- 15 Aramark Cleaning Staff
- 16 Safe/Lockbox Installation
- 26 AU Support Services, Furniture Re-arrangement
- 29 Luncheon for Students
- 30 Genesis, Security Vendor

February 2004

- 4 Vince Chiaramonte, Photography Session with Mrs. Ladner

- 5 Dr. Pauline Baker, President, Fund for Global Peace: Lecture, Brunch
- 6 Copier Vendor
- 6 Computer Staff
- 9 Exercise Equipment Vendor
- 10 Watkins Collection Curator
- 11 Malcolm Decoratives, Dining Room Painting, Meeting
- 12-17 Painting of Living and Dining Rooms
- 13 Cable Television Repair
- 24 Vice President and Mrs. Atiku Abubakar of Nigeria, Dinner
- 24 Mr. Fuad El-Hibri and Trustees, Luncheon
- 26 Thailand Ambassador's Wife, Farewell Luncheon
- 26 AU Board of Trustees Reception/Dinner

March 2004

- 5 Heating-Air Conditioning Repair
- 6 Student Meeting re Eagle Endowment
- 23 Audrey Terry, Aramark Cleaning Meeting
- 24 Institute of Peace/AU International Professors, Dinner

April 2004

- 1 AU Vice President Al Checcio, Meeting
- 2 Security System Upgrade Meeting
- 2 Cable Television Repair
- 6 Security Staff Training Session
- 8 Kellogg Collection Installation
- 13 Greek Week Reception
- 15 Security System Upgrade Meeting
- 20 AU Vice President Al Checcio and Amy Fox Meeting
- 21 Eagle Endowment Reception
- 22 Honors Students Reception
- 26 Student Leaders Reception
- 27 AU Middle States Self-Study Team, Reception
- 28 Student Ambassadors Reception
- 29 Liz Kelly Meeting

May 2004

- 13 AU Board of Trustees Reception/Dinner

June 2004

- 7 Patriot League Council of Presidents, Dinner
- 10 President of Iraq Reception
- 14 Alison Sackman Meeting
- 17 President's Residence Staff Appreciation Party

September 2004

- 19 General Board of Higher Education and Ministry Visiting Team, Dinner
- 28 Joni Synder, Lotus Notes Specialist, Meeting

October 2004

- 20 Dean Myron Roomkin Farewell Reception
- 25 Fireplace Inspections
- 25 Dean Larry Kirkman & AU Vice President Al Checcio, Meeting

November 2004

- 1 Dr. Ladner Birthday Dinner

- 2 Window/Landscape Screening Meeting
- 9 DREU Association President's Dinner
- 16 Congressional/Presidential Studies Reception, Congressman Lee Hamilton
- 30 Liz Kelly Meeting

December 2004

- 3 School of Communication Advisory Committee Dinner
- 8 President of Iraq, Reception
- 9 Student Leaders Reception
- 13 American University of Nigeria President, Dinner
- 16 President's Cabinet Dinner

January 2005

- 18 Mike Mastroda re Window/Landscape Screening

February 2005

- 24 AU Board of Trustees Reception/Dinner

March 2005

- 7 Liz Kelly Meeting
- 8 AU Trustee John Petty and Wife, Dinner
- 16 Arts Advisory Council Luncheon

April 2005

- 5 Greek Week Reception
- 12 Honors Students Reception
- 13 Breakfast for Students
- 19 Student Leaders Reception
- 20 Eagle Endowment Reception
- 26 Student Ambassadors Reception