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No dismissal for Clemson lawsuit



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COLUMBIA — A lawsuit by a former employee against Clemson University will carry on.

On Tuesday, U.S. District Judge Matthew Perry declined dismissal of the suit, brought on by Eugene Troutman, the former executive secretary to CU's board of trustees. In a lawsuit filed Jan. 9 in Richland County, Troutman claims he was fired after calling attention to Clemson financial practices he found troublesome.

The major issue, according to Troutman, was a so-called "rainy day" fund, which swelled to approximately \$79 million, created from tuition increases. Other lawsuit allegations include: falsification of public statements, mismanagement of university finances and corrupt business operations.

Defendants named in Troutman's litigation include CU President James Barker, provost Dori Helms and board of trustees members serving when the plaintiff was fired.

Clemson officials have repeatedly refuted Troutman's claims.

"The reasons given by the trustees for (Troutman's dismissal) had to do with an unauthorized restructuring of internal audit functions and an inability to maintain effective working relationships," said Clemson spokeswoman Cathy Sams.

Among Perry's Tuesday rulings: a refusal to allow change of venue from Columbia. According to Sams, the university was told the trial was set in Columbia because several witnesses were from the area. However, Sams said when the witness list was revealed only three of 34 witnesses not party to the suit were based near Columbia. Sams also indicated 20 witnesses reside in Greenville, Pickens and Anderson counties and are employed by Clemson or the state.

"This is where these individuals live and work and also where related records are maintained," Sams said.

Although Sams did not have exact figures for the financial impact of the suit thus far on Clemson, she said the tally would

be "significant."

"It is a cost ultimately borne by the taxpayers of the state of South Carolina," said Sams, who went on call the suit "baseless."

Clemson's lawyers have argued the school is an arm of the state and cannot be sued under the federal law. Perry said the Legislature had designated the school as a municipality and municipalities can be sued under the federal law.

"Obviously we disagree with the judge's decisions," Sams said. "We want to make sure Clemson University is treated fairly and granted the same legal protection as the state of South Carolina, hold down costs and expedite a quick resolution."

Troutman's attorney Joel Collins was not available for comment regarding Perry's rulings or the case in general.

On March 27, Clemson President James Barker addressed the lawsuit via an internal e-mail. Barker said the carryover funds are used to plan ahead for major expenses over time and Clemson has maintained the practice for 20 years.

"Most agencies, colleges and universities do the same, as do most of you," Barker said. "You don't wipe out your checking account on Dec. 31 of each year. You carry funds forward to cover bills you know will be coming in January."

According to Barker, the carryover funds are on deposit with the State Treasurer and are publicly disclosed in audited financial statements. The carryovers not to be used for ongoing expenses such as salaries, operating budgets or budget cuts, Barker said.

"We've used these funds for projects such as a recent \$8.5 million computer network upgrade and major campus security investments following the Virginia Tech tragedy," Barker said in March.

Earlier that month, Scott Ludlow, Clemson's chief financial officer from 1994 to 2004, said he was also let go when he raised an eyebrow over tuition increases as Clemson amassed the carryover funds, which rose to \$40 million during his employment.