



CHARLOTTE LEGAL SYMPOSIUM • OCTOBER 29, 2026

Bringing Down the House

How Everyday Decisions Become Enterprise Level Crises



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CHARLOTTE'S STORY

Today Is Not About Failure

Over the years Charlotte has:



Stayed largely out of major national scandals



Avoided catastrophic lawsuits and regulatory findings



Protected its reputation



Continued strong enrollment growth



Built trust among students, faculty, staff, legislators, donors, and the public



Accomplished some unbelievable goals and milestones



THE CHALLENGE

Today Is Not About Failure

Good risk management **creates** invisible success.



Nothing happens

Potential crises and operational failures are prevented before they materialize.



Nobody notices

Daily institutional operations continue seamlessly without disruption.



No headline is written

Reputation, compliance, and public trust remain fully protected.



TODAY'S FOCUS

**Today we focus on
institutions where
things did go wrong.**



EVERYONE IS A RISK OWNER

Enterprise Risks Are Not Created in Board Rooms

They begin when someone:



Clicks

Unverified links, unexpected attachments, or phishing attempts



Approves

Unexamined access requests, transactions, or policy exceptions



Discloses

Sensitive data, user credentials, or confidential information



Ignores

Security protocols, required training, or operational warning signs



Publishes

Unvetted internal documents, datasets, or public statements



Speaks

Unsecured discussions regarding private or proprietary matters



Assumes

That risk management is strictly someone else's responsibility



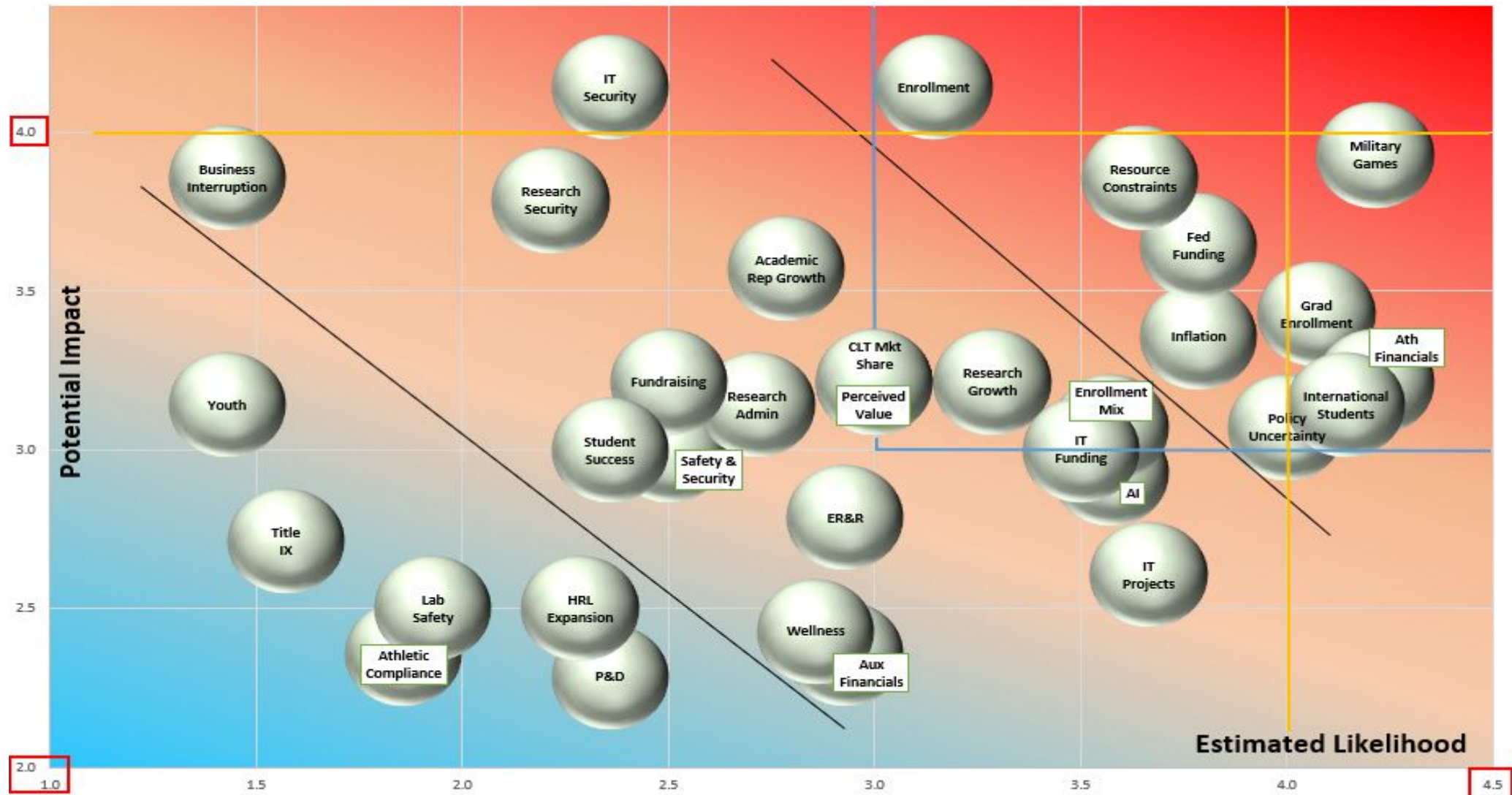
EVERYDAY REALITY

Small individual actions define overall institutional risk and security.



ENTERPRISE RISK GOVERNANCE

How Do We Manage All These Risks With Only One Person Dedicated to ERM?



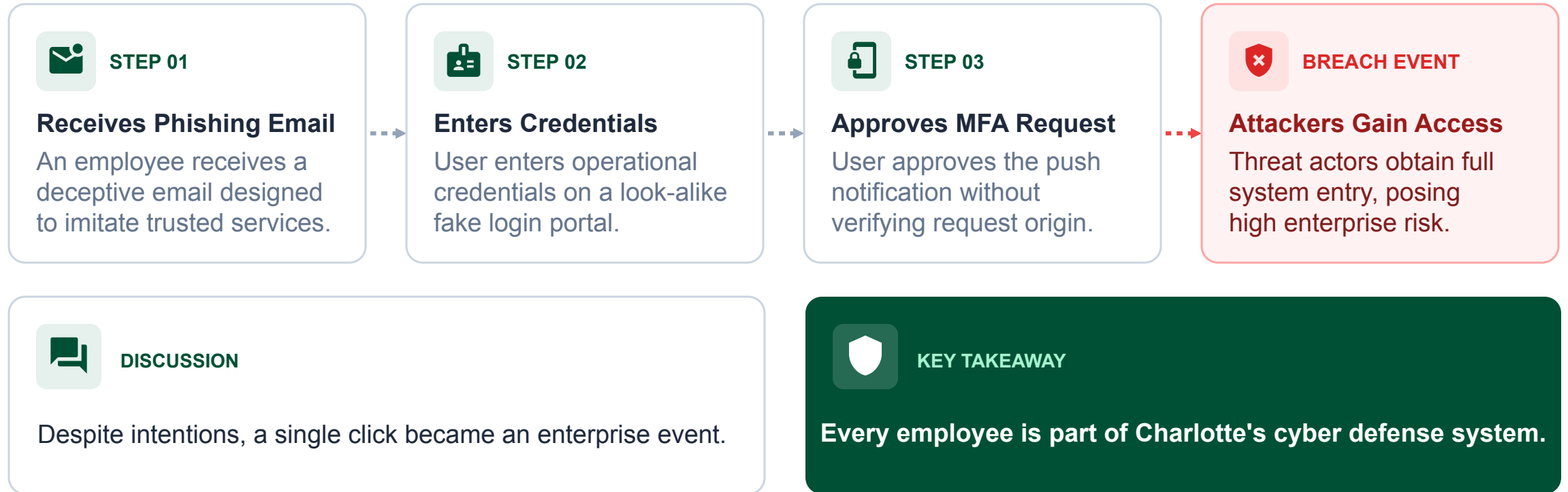
Answer: Because thousands of risk managers work at CLT every day.



CLICKING & MFA SECURITY

One Multi-Factor Authentication (MFA) Approval Can Cost Millions

The chain reaction of a single unverified click:



CLICKING & CYBERSECURITY IMPACT

Clicking – Real Life Higher Ed Examples

Real-world consequences of security breaches across university campuses



CASE STUDY 01

University of California, San Francisco (2020)

FINANCIAL IMPACT

Paid ~\$1.14 M in Bitcoin for recovery

- UCSF's School of Medicine was hit by ransomware group
- Academic and research files were encrypted and some data was stolen
- Ransomware payment was made to restore access to critical research data



CASE STUDY 02

NC A&T State University (2022)

OPERATIONAL IMPACT

5+ weeks of operational disruption

- Significant operational disruption (5+ weeks) from a cyber attack
- Canceled classes and inability to complete coursework
- Also affected admin services including business systems



APPROVING & PROCESS CONTROLS

One Approval Can Cost Millions

How routine administrative approvals can lead to severe financial loss



STEP 01

Request Received

Receives a request to add or change a vendor or employee file



STEP 02

Approval Granted

Approves the change without adequate due diligence



STEP 03

Financial Loss

Payment / payroll check is redirected to a fraudulent bank account



ANALYSIS

Discussion

Discussion: The employee never intended harm, but an inadequate or missed routine verification enabled a fraudulent payment and financial loss.



KEY PRINCIPLE

Takeaway

Takeaway: All processes and procedures are important, even the mundane.



APPROVING & PROCESS CONTROLS

Approving – Real Life Higher Ed Examples

Real-world case studies of vendor impersonation and financial risk in higher education



CASE STUDY 01

MacEwan University (Edmonton, Alberta)

INITIAL CONTACT

Receives emails appearing to be a legitimate vendor

ACTION TAKEN

Employee updates fraudulent banking data

FINANCIAL IMPACT

University sends \$11.8M (CAD) before discovering fraud



CASE STUDY 02

Charlotte (2025)

IMPERSONATION

A fraudster impersonated a University vendor

PROCEDURAL BYPASS

We granted them system access outside standard procedures

UNAUTHORIZED PAYMENT

The fraudster changed banking info and took a \$0.8M payment

KEY OUTCOME

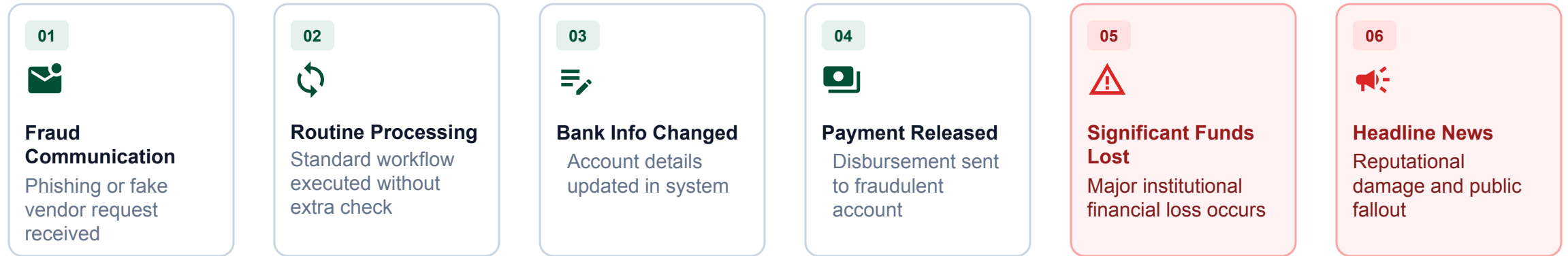
CLT had a rare 100% recovery due to BA's fast reaction



INTERNAL CONTROLS & RISK ANALYSIS

The Anatomy of a Control Failure

Breakdown sequence showing how unverified routine processing escalates to major loss



AUDIENCE QUESTION

Which person is responsible for the loss?

A

Fraudster?

The malicious actor who deliberately engineered the social engineering scheme and executed the deception.

B

University Employee?

The internal processor who processed the change routinely without applying mandatory verification controls.



RESEARCH COMPLIANCE & DISCLOSURE

Disclosing

Failure to accurately and completely disclose relevant personal information can result in losing access to federal funding



INSTITUTIONAL IMPACT

>85%

Fed funding is >85% of our current entire research portfolio

An employee:

Fails to simply complete “another” year’s COI form

An employee:

Resents sharing personal information, so they don’t

An employee:

Intentionally does not want to share a COI or related party

DISCUSSION

Any of these thoughts ever cross your mind?

TAKEAWAY

Research runs on trust, a breach of trust can be costly for all



RESEARCH COMPLIANCE & DISCLOSURE

Disclosing – Real Life Higher Ed Examples

Case Study: Ohio State University (2026)



PENALTY SETTLEMENT

\$2.1M

Paid to resolve civil allegations regarding undisclosed affiliations

KEY ISSUE

Failed to disclose employee's affiliations with China

REPORTING GAP

Faculty reported ties, but OSU did not report to Fed for years

“We will not tolerate institutions that conceal foreign ties and compromise national security.” Senior Official at the NASA Office of Inspector General

DISCUSSION

What if the faculty knew their affiliations were not reported?

TAKEAWAY

There is increasing scrutiny of disclosures



Ignoring Safety Protocols

Failure to follow routine, often “mundane” safety protocols can result in fines, criminal charges, and injury or death



Critical Risk & Severe Impact

Fines, criminal charges, and potential severe injury or death stemming from non-compliance.

Pre-Procedure Checklists

Ignores or half-heartedly completes pre-procedure safety checklists

Personal Protective Equipment (PPE)

Does not wear or expect others to wear required Personal Protective Equipment (PPE) properly

Safety Inspections & Audit Findings

Safety inspections are not completed or findings are not addressed

Discussion

Is this commonplace, or at least a temptation in your area?

Key Takeaway

Less tolerance on how society and judiciary view non-compliance



Safety & Compliance Protocols

Ignoring – Real Life Higher Ed Examples

Landmark UCLA Case (2008) Where 23-Year-Old Researcher Died



Legal & Financial Impact

~\$4.5M & Jail Time

Faced ~\$4.5M in fines and 4.5 years in jail for lab supervisor following the landmark case.

Fatal Incident

Died from severe burns after spilling a chemical

Safety Protocol Violation

With no lab coat, her synthetic sweater melted to her skin

Perspective & Cultural Shift

“There are certain things where somebody goes first and society changes.”

Discussion

Zero criminal charges were filed in the 120 fires, explosions, and chemical releases in the prior 10 years.
What watershed event is next?

Takeaway

Checklists, inspections, PPE, etc. are easy to dismiss



Public Communications & Governance

Publishing

Communicating on behalf of the University is not in the job description of most positions, and use of AI has received increasing scrutiny.



Policy & Oversight

High Scrutiny

Official statements and public releases carry legal and reputational risk, requiring strict clarity on publishing authority.

Social Media Scenario

Makes a formal post on a University controlled social media site

Media & Press Scenario

A professor submits an Op-ed in his professional capacity to the news

Emerging Tech Scenario

Uses AI to publish a formal press release on behalf of the university

Discussion

Who is authorized to publish communications for CLT?

Takeaway

Communications and use of AI are scrutinized more than ever



Publishing – Real Life Higher Ed Examples

Examining institutional scrutiny and public reaction surrounding AI-generated communications.

CASE STUDY 1 • CRISIS COMMUNICATION

Vanderbilt Communication in Wake of Michigan St Shooting (2023)

- Sent consolation email to students in wake of shooting
- Disclosed AI was used
- Many felt use of AI was insincere
- Resulted in formal apology for use of poor judgement

CASE STUDY 2 • POLICY VS. DISCLOSURE

UNC System Office Response to DoE “Compact 2.0” (2026)

- Instructors should offer guidance for use of AI, and students should disclose use of AI when required
- UNC leaders did not disclose AI had been used to draft its DoE response ([Chronicle.com](https://www.chronicle.com); 8/20/26)
- Responded AI is used for “administrative tasks”



Public Communications & Governance

Speaking

Speaking on behalf of the University is also not in the job description for most positions, and recording devices are now everywhere.



Risk & Representation

Public Voice

Speaking on behalf of the University is also not in the job description for most positions, and recording devices are now everywhere.

Social Media Scenario

Makes a Reel on a University social media site

Media & Press Scenario

Speaks to a news reporter who is on campus for a story

Informal Dialogue Scenario

Talks “off the record” with third parties about University affairs

Discussion Prompt

How do we speak in a “personal” capacity?

Core Takeaway

Personal capacity vs. as an agent of CLT is a thin line.



Public Communications & Governance

Speaking – Real Life Higher Ed Examples

UNIV. OF MISSISSIPPI (2025)

Charlie Kirk Social Media Controversy

- Administrators made social media posts that celebrate the killing of Charlie Kirk
- An employee was terminated
- "The comments run completely counter to our institutional values of civility, fairness and respecting the dignity of each person," *UM Chancellor*

UNC CHARLOTTE (2025)

Accuracy in Media Report

- An employee expressed personal perspectives on University activity
- The third party was an ambush journalism group
- Required hundreds of hours to investigate, and an employee lost their job



Assuming

So many see something and simply assume someone else will report it.

An employee or student:

PHYSICAL HAZARDS

Ignores low hanging obstacles,
unaddressed icy surface, etc.

SAFETY & WELFARE

Hears a minor talk about neglect
or abuse

ETHICS & COMPLIANCE

Knows employees are skirting rules
but doesn't want to get involved

DISCUSSION

Why is it so easy to assume someone else will report an issue?

KEY TAKEAWAY

The greatest risk is often what people know but do not report.



ASSUMING

Real Life Higher Ed Examples

UNC SCHOOL OF THE ARTS (2024)

- Houses minor high school students in dormitories
- Systemically concealed, ignored, and failed to report allegations of abuse
- **Paid a \$12.5M settlement**

NC STATE – POE HALL TOXICITY (2023)

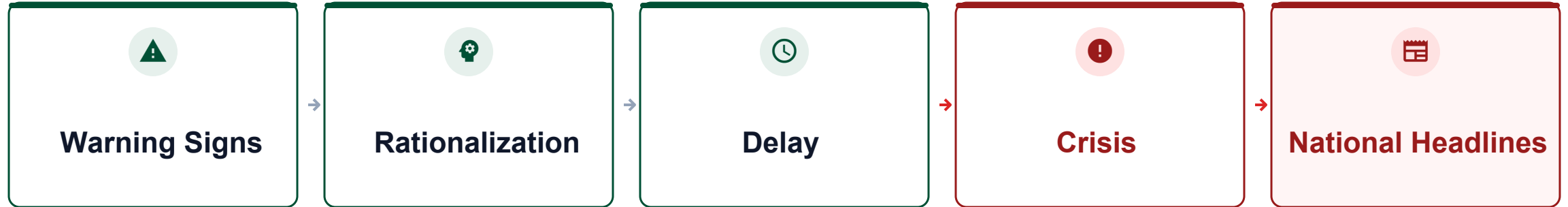
- 2018 tests detected toxins and concerns were raised for years
- No single department took ownership
- 2023 testing revealed toxins up to 38 times EPA hazardous standards
- **Spent millions on testing and legal fees**
- **Made local and national headlines**



CONCLUSIONS

There is a Cost to Silence

ANATOMY OF A CRISIS



TAKEAWAY

Warning signs create risk, but rationalizations create delay. Delay is what turns risk into crisis.

DISCUSSION

Are there warning signs in your area no one is talking about?



CONCLUSIONS

Being Consistent

ANATOMY OF A CRISIS

01

THE MYTH

Rules create risk and liability.

02

THE REAL RISK

Inconsistent application of the rules creates risk

TAKEAWAY

Litigation often follows policies that are **inconsistently applied**

DISCUSSION

- Are there situations where rules are not consistently followed in your area?
- Why?
- The best way to address inconsistencies is to address them proactively



CONCLUSIONS

What Does a Risk Owner Look Like?

SOMEONE WHO:



Verifies



Questions



Escalates



Documents



**Follows
Procedures**

TAKEAWAY

A proactive risk owner isn't defined by a title, they actively verify facts, question anomalies, escalate concerns, document actions, and rigorously follow procedures.



CONCLUSIONS

Bringing Down the House

FINAL THOUGHT



The next major crisis will not likely begin in a Board meeting.



It will begin with an ordinary decision, made by an ordinary employee, on an ordinary day.

THE GOOD NEWS?

That employee is the best person to prevent it!

TAKEAWAY

Everyone Is a Risk Owner

