

EHU Fights Allegations of Financial Misconduct, Needs New Leadership

On May 20, Acting Chair of the European Humanities University (EHU) Anne Lonsdale announced that the current EHU rector Prof. Garry Pollick will soon be concluding his term.

The announcement put EHU in the Belarusian headlines. The unexpected news followed a scandal caused by the leak of a confidential audit report prepared by international auditing company Deloitte for EHU donors.

The report exposed alleged violations of tax law and internal financial regulations, purported to be at the hands of a group of American EHU governing board members and Professor Garry David Pollick, a [controversial EHU rector](#).

According to the official announcement, Dr Pollick 'has graciously agreed' to serve EHU until late summer 2016 and "it has always been clear to us on the [EHU Governing] Board that Prof. Pollick had intended to be with us for two years only". However, it has been just about one year since David Pollick took up the rector position. What's going on?

Leak of confidential EHU materials on administrative misconduct

The announcement of Pollick's resignation appeared a few days after an undisclosed group of members of the current EHU staff [leaked a report](#) on EHU conducted by Deloitte at the request of

the Nordic Council, an inter-parliamentary forum and one of EHU's main donors.

Soon after the leak, two major online media outlets from Belarus, kyky.org and bel.biz, almost simultaneously published extensive analysis of the alleged misconduct by those who run the university. This resulted in a public outcry and calls for the current EHU leadership to be removed immediately.

A few days later, it became known that the Nordic Council discontinued its financial support to the university. Nordic Council insiders privately confirmed that the funding was halted due to the allegations exposed in the leaked Deloitte report.

On 25 May, the EHU Senate, the university's body of academic self-governance, issued a statement calling for immediate action to restore the reputation of the university. The statement also called for the reconstruction of institutional stability that it claims has been let down by EHU executives in the past two years.

The Senate also urged to remove the university's top executives, including the rector. It further called for broader engagement of the academic community in decision-making and budgeting as well as the launch of internal crisis management procedures.

This is the second time that the Senate has openly opposed the EHU administration in the last five years. The last time, the Senate [was subsequently dissolved](#). EHU alumni also produced a video calling for reform of management of the European Human University and including Belarusians into decision-making at the university.

We reached out to Anne Lonsdale, asking her to explain why people allegedly responsible for financial misconduct and the violation of EHU internal rules (and, potentially, tax laws of two countries) have not been removed from their positions and

are instead being praised through public announcements.

Lonsdale's responded that she had little to add and claimed that these were '*damaging statements which are untrue and for which one has no proof*'.

[Andrej Laŭruchin](#) was removed from the EHU in 2013 during the [administration's crackdown](#) on 'unqualified' dissident staff members. He is currently an Associate Professor at the Higher School of Economics in Russia (a top 100 university in the QS University Ranking) and was willing to share his view:

Dismissal of those responsible would mean accepting the facts. Hence, the accused shall instead be awarded. Then the suspicion will remain 'suspended in the air'. It's an old political trick that some political opponents of authoritarian regimes call 'Byzantine cunning'. The questions are rather: a) whether there's proof of guilt and b) whether anybody will deal with the case. As my experience of legal disputes in academia shows, this is a very tricky and fraught business that involves huge moral costs since the violators inevitably have influential friends in academic and semi-academic (political) circles.

Protection of donor's interest: revision of EHU ownership structure

The alleged misconduct exposed by Deloitte, if true, would only have become possible as a result of a lack of effective accountability mechanisms. EHU must introduce a new governance model that reflects the existing ownership structure. Such a move requires fundamental revision of the nominal ownership of the EHU – the General Assembly of Part-Owners (GAPO).

The EHU is a non-profit liberal arts university founded in Minsk in 1992. In 2004 it was forcibly shut down by the Belarusian authorities and relocated to neighbouring Vilnius (Lithuania) where it exists as a Belarusian university in exile, supported by a wide range of European and North American governments and philanthropists.

In 2013, the university entered a period of turbulence and since then its management has been widely criticised for authoritarian governance, even resulting in a [call for the creation of an alternative institution](#).

When the EHU was re-established in Vilnius a decade ago, three organisations (the Institute for International Education, the Open Society Foundation (OSF), and the Eurasia Foundation) formed the GAP0 and became the supreme decision-making body of the university.

EHU alumni recently produced a video calling for reform of the current EHU governance system and letting Belarusians run the Belarusian University in exile.

As of 2016, no GAP0 member organisation (except for OSF) provides significant funding to the EHU, but they are in charge of all internal decisions on EHU spending. Meanwhile, the largest EHU donors have no control over the funds they allocate to the EHU.

The university ownership structure has changed, and it must be reviewed to correspond with actual ownership, with primary focus on the protection of donors' and stakeholders' rights. EHU alumni recently produced a video calling for reform of the current EHU governance system and letting Belarusians run the Belarusian university in exile.

Protection of the public interest

Under Lithuanian law the university is a "public institution". Legally speaking, the EHU is a not-for-profit organisation that enjoys certain tax and regulatory benefits because it pursues a public good. But in reality the EHU has been taken over by a group of top managers under the leadership of current EHU President [Anatol Michajlaŭ](#), who as a matter of fact 'owns' the university.

As of June 2016, the university urgently needs to revise the GAPO membership, and conduct an all-encompassing, comprehensive reassessment of its corporate governance policies and disclosure standards.

In May 2016, Swedish International Development Cooperation Agency (SIDA) replaced the Nordic Council in oversight of the EHU Trust Fund, and is expected to make changes to remove the deadlock of the existing crisis.

SIDA should request full compensation for losses incurred by the university as a result of managerial misconduct and introduce a governance model that reflects the existing ownership structure – one that provides administrative representation based on current ownership.

This means that the university must immediately review its corporate governance policies in the light of the existing ownership structure that has changed significantly since 2005. EHU shall let major donors have control over spending and must prevent nominal owners from decision-making outside the 'actual' representation quota weighted on the 'ownership' stake.

EHU remains a public academic organisation. It is not a private institution, but a public university run in the public

interest, and it must remain as such. This means that the 'part-owners' and the 'board' , its rector and president are not EHU's masters, but its servants. All members of the EHU community must remind the EHU administration about it.

Serge Kharytonau

Serge is the former President of EHU Alumni Association (2014-15).