



State of Tennessee

Justin P. Wilson, State Comptroller

For Immediate Release: April 30, 2010

COMPTROLLER WILSON RECOMMENDS TRANSPARENCY AND ACCOUNTABILITY FOR UT MEDICAL GROUP

Comptroller Justin P. Wilson is recommending a complete evaluation of the relationship between the University of Tennessee Health Science Center and the University of Tennessee Medical Group, citing a lack of sufficient controls to guard against conflicts of interest and protect taxpayer dollars.

During a meeting with the University of Tennessee's audit committee Friday, representatives from the Comptroller's Division of State Audit outlined a number of concerns about the relationship between the state-funded medical school and the nonprofit medical group. Those concerns include a lack of adequate oversight by UT officials in Knoxville over the financial management practices of the medical school campus in Memphis and potential conflicts of interest involving medical school faculty and staff who also serve on the medical group's board of directors.

Comptroller Wilson said the relationship between the school and the medical group needs transparency and accountability.

"For reasons that are outlined in the auditors' report, I am reluctantly recommending that the university forgive a debt of approximately \$7.5 million owed to it by the UT Medical Group," Comptroller Wilson said.

"Forgiving that debt is necessary because of the serious financial challenges facing the Medical Group. However, without significant changes to both its operations and its relationship with the Health Science Center, I believe it is possible and perhaps even likely that the Medical Group could find itself in a similar predicament at some point in the future. Clearly, that would not be an acceptable outcome."

To view the auditors' report and related documents, go to:

<http://www.comptroller1.state.tn.us/sa/UTMGreport.asp>

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