

# STETLER, DUFFY & ROTERT, LTD.

ATTORNEYS AT LAW

10 SOUTH LASALLE STREET, SUITE 2800  
CHICAGO, ILLINOIS 60603  
TEL: 312 338 0200 • FAX: 312 338 0070  
www.sdrlegal.com

## MEMBERS OF THE FIRM

JOSEPH J. DUFFY  
MARIAH E. MORAN  
MARK L. ROTERT  
COREY B. RUBENSTEIN  
DAVID J. STETLER  
WILLIAM P. ZIEGELMUELLER

MARK L. ROTERT  
mrotert@sdrlegal.com  
312 338 0214

May 29, 2015

## **BY FEDERAL EXPRESS**

Mr. Alan Phillips  
Vice President, Administration and Finance  
Northern Illinois University  
1425 West Lincoln Highway  
DeKalb, Illinois 60015

Re: Ronald Walters

Dear Mr. Phillips:

My firm represents Ronald Walters. I write in response to your correspondence dated May 15, 2015.

Your letter requests that Mr. Walters send money to Northern Illinois University in an amount equal to the sum reimbursed to Mr. Walters for his travel and related expenses. Those expenses were incurred by Mr. Walters during the course of his consulting engagement with Northern Illinois University. Your letter also asserts that NIU's request for repayment is based on a finding made during a recent audit conducted by the Illinois Auditor General, and by a subsequent ruling issued from the Illinois Higher Education Travel Control Board ("the Board").

Respectfully, I advise you that Mr. Walters is not obliged to pay money to NIU and he does not intend to do so. The Illinois Auditor General's Report is premised on the incorrect premise that Mr. Walters was an employee of the University. In fact, Mr. Walters is not and never has been a University employee. Rather, he was engaged by the University to provide consulting services to NIU and he functioned as an independent contractor to NIU. Further, neither the Auditor General nor the Board has the ability at law to ignore or rewrite the terms of agreements entered between Mr. Walters and the University.

The terms of Mr. Walter's consulting agreement provided that the University would reimburse him for his reasonable travel expenses, including air fare, rental car fees and meals. Mr. Walters resides in Washington State, which the University knew when it engaged him to provide independent consulting services. Because he resides far from NIU's campus, he

considered it a fundamental provision of his agreement that his reasonable travel expenses would be paid by the school. Mr. Walters would not have agreed (nor did he agree) to provide services to the University if he were advised that accepting the engagement would cause him to incur out-of-pocket, non-reimbursed travel expenses. Your demand that he now repay those expenses is entirely at odds with the agreement NIU entered with Mr. Walters and therefore is invalid as a matter of Illinois law.

I also will address your comments about Mr. Walter's lodging expenses. At the express request of the University Mr. Walters agreed to stay at the Holmes Student Center (HSC) when he was visiting campus. Senior University officials assured Mr. Walters in writing that NIU would pay those room costs directly through an internal billing mechanism. Your assertion that Mr. Walters is obliged to pay income tax on those costs is at best presumptuous; I doubt very much that you are in a position to determine what Mr. Walters' personal tax liabilities may be. Similarly, the University's belated attempt to issue revised W-2 forms to Mr. Walters speaks more to NIU's desire to rewrite history than it does to the workings of the Internal Revenue Code.

Mr. Walters properly relied on the written and verbal assurances he received from senior University officials about the financial terms of his engagement by NIU. He had every right to rely on those officials, who plainly had the apparent authority to bind the University to the terms of the agreement. The University's request for repayment of authorized travel costs is in direct conflict with the terms of the agreement established between NIU and Mr. Walters. The University reimbursed those travel costs in the manner contemplated by both parties to the agreement and Mr. Walters relied in good faith on the assurances of senior leadership at NIU. The request that he now send back money to NIU after his work has satisfactorily been performed, and after the school sent him reimbursements in keeping with their commitment to Mr. Walters, cannot be viewed as a request made in good faith.

As such, any further effort by the University to seek repayment of these costs would vigorously be contested. Should you wish to discuss this matter further, please contact me or my partner, Mariah Moran, who can be reached at 312-338-0217.

Very truly yours,



Mark L. Rotert

MEM/tk

cc: Ronald Walters