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The Fall of a Lion

by [Dwight Geddes](#) | April 2, 2012 at 9:44 am



The sexual abuse allegations against former Pennsylvania State University assistant football coach Jerry Sandusky disgraced the reputation of one of the nation's most prestigious public universities. The scandal led to the resignation of the school's iconic football coach Joe Paterno (the most successful in Division I football history), left two senior Penn State administrators facing criminal charges that could put them in jail for years, and exposed the school to tens of millions of dollars in legal costs, not to mention a potential enrollment drop off.

The obvious questions for Penn State's board of directors, and the greater world of risk managers responsible for steering the ship of other organizations, are "What could have been done to prevent this from happening?" and "If it can happen at Penn State University, can it happen here?" To answer both of those questions, one has to look at the total picture of what happened at Penn State and wonder how effective risk management could have made this a very different headline.

Revenue from sports—especially NCAA football—is the economic engine of many colleges. Penn State's football program was the fourth-biggest earner among all colleges, with annual net revenue of approximately \$43 million, trailing only the Universities of Texas, Georgia and Florida, according to a 2010 report from AOL News, which cited a U.S. Department of Education's Equity in Athletics study.

Over the past three decades, Penn State has been not only the biggest name in college football in the Northeast, but one of the few major athletic programs untarnished by the never-ending stream of scandals throughout the NCAA. University of Southern California, University of Miami, University of Kentucky and Southern Methodist University are all major colleges that have been disciplined for various infractions surrounding their athletics programs.

In college sports, football is king, with coaches at prominent programs becoming the symbols and main drawing cards for the schools. Penn State, under the guidance of Paterno, had long been seen as a by-the-book program that recruited the right kind of student-athletes yet still managed to compete with the other national powerhouse programs that often crossed the ethical line. It was a lofty, carefully balanced perch that very few coaches attain. And it is apparently one that even fewer can sustain.

A closer examination of both the school and the athletics department shows that not everything at Penn State has been on the straight and narrow. On reflection, the Rene Portland saga that occurred a few years ago should have served warning that there was a disconnect between the athletics department and the school administration. Portland was a legendary head women's basketball coach at Penn State who led the school's perennially ranked program from 1980 to 2007. Then, suddenly, she resigned under pressure in 2007 after a lawsuit and discrimination complaint filed by former player Jennifer Harris.

Harris stated in her lawsuit that Portland "discriminated against her on the basis of perceived sexual orientation and race." Stories then circulated in the press that Portland often spoke openly of having a "lesbian-free" team, even while recruiting high-school athletes.

The lawsuit represented one of several instances in which the listed policies of the school were not followed. Penn State conducted an internal investigation and determined that Portland had indeed violated the school's anti-discrimination policy, and she subsequently left the school. At the time of her leaving, Portland was one of only nine coaches who had ever won 600 games at one school. It was a sordid end to what had seemed an otherwise illustrious career.

The two scandals are different in several regards, however, especially considering the fact that Portland was accused of being the main culprit of the behavior that caused her downfall. Paterno, according to all reports, was not a part of the alleged depravity committed by Sandusky, but he was made aware of the accusations and did

not take enough of an active role in dealing with them. His position of importance within the school's hierarchy may have been oversized, but his sense of relative responsibility seemingly was not.

After the indictment and arrest of Sandusky, new reports and condemnations appeared daily. Questions about who should stay and who should go, what should have been done, who knew what—and when—were debated around the clock on news shows and sports networks alike.

The consensus eventually seemed to settle on one simple precept: Someone should have taken the extra step, and a man of Paterno's supposed moral standing should have been the one to call the authorities.

Without rehashing the sordid minutia of the criminal allegations, let's look at the general details. In 2002, a student assistant coach at Penn State walked into a locker room and allegedly witnessed what he believed was Sandusky raping a boy who appeared to be no more than 12 years of age. The assistant coach, Mike McQueary, reported his account to Paterno, who notified his superiors of at least some version of what McQueary claims he saw. The subsequent time line of events suggests quite clearly that some of the school's highest officials failed to act appropriately and responsibly to notify the police about an alleged pedophile committing crimes on their campus, a decision that may have allowed Sandusky to victimize multiple other children.

The alleged crimes are disturbing, but the greater lessons for those tasked with risk management responsibilities are clear. First and foremost is the understanding that no individual or group can be placed above the interests of the overall organization. The cult of personality was a major part of the problem at Penn State. The football program, Paterno and everyone associated with that part of the community have been bigger than the school for a very long time. The main reason this reality developed is the positive publicity and enormous revenue generated by the school's football program.

When your position, and earnings related to that position, becomes the single biggest source of revenue in any professional environment—be it a school, small company or large organization—the dynamic of power shifts. It is inevitable.

The only remedy for that is raising the bar for doing the right thing. The greater the responsibility and the higher the profile, the more stringent the standards of accountability need to be. And it should be stressed that when things are good is when these principles need to be stressed—not when the proverbial horse of allegations, scandal and litigation has left the barn. Being proactive is better than being reactive. This protects the individual and the organization to a greater degree, and while it may be unwelcome initially, the benefit outweighs any resentment it might create.

The other key lesson is something that we have seen play out time and time again in recent years: it is always the cover-up, not the initial act, that causes the biggest downfall. This has been true from Watergate to Anthony Weiner. Handle any controversy completely, honestly and transparently the first time, every time. And if you even need to consider whether the authorities need to be notified, that usually means they need to be notified. Sooner rather than later.

The cost associated with ignorance is very high and does not present a justifiable defense—not in a court of law or the court of public opinion. At Penn State, the top university officials should have asked questions, followed up and, at a minimum, brought in outside law enforcement to look into the allegations when they first surfaced. They likely should have also sought legal counsel. If in doubt about the legal ramifications, the authorities should be notified and experts should be consulted. Anything that rises to the level of criminal behavior should be handled accordingly, and a detailed paper trail documenting what was done must be maintained. Protecting the institution should always come second to doing what is right. Ultimately, that will be what protects the organization.

It is often said that the measure of a risk manager is the level of incurred claims. If so, the shameful transgressions at Penn State are a case study of what not to do when faced with a crisis. Other stories and scandals in other places will vie for headlines in the future, but it is important that the lessons of this scandal be heeded by others. The only good that may come out of this is if a template for handling these types of allegations in a better way is adopted and followed by others.



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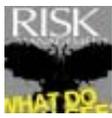
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