



Lawrence F. Alwin, CPA  
State Auditor

A Special Investigations Unit Report on  
**The Office of Student Development at  
Stephen F. Austin State University**

June 5, 2002

Members of the Legislative Audit Committee:

An investigation by the Special Investigations Unit led to Dan L. Wallace pleading guilty to Abuse of Official Capacity, a third degree felony. The Nacogdoches District Attorney's Office obtained the plea to an "information" on May 23, 2002. An information is a written statement filed and presented in behalf of the State by the district attorney, charging the defendant with an offense. Mr. Wallace was the Dean of the Office of Student Development for Stephen F. Austin State University. The plea included a public servant enhancement provision because Mr. Wallace diverted university funds while employed as dean. A call to the Special Investigations Unit hotline initiated the investigation.

The Office of Student Development oversees and administers several student organizations including the Student Government Association, Jack Camp, the Multi-Cultural Center, co-ed cheerleaders, all-girl cheerleaders, Pom-Pom squad, Freshman Leadership classes, and the Student Travel Administration. This office also handles all disciplinary actions and judicial reviews.

From 1996 to 2001 Mr. Wallace diverted more than \$27,600 intended for two university accounts (the Spirit Team and Jack Camp accounts) into off-campus accounts for his personal use. As Dean of the Office of Student Development, Mr. Wallace was responsible for overseeing several accounts, including the Spirit Team and Jack Camp accounts. The Spirit Team account finances groups such as cheerleaders and the pom-pom squad; the Jack Camp account finances freshmen orientation camp. The investigation also determined that Mr. Wallace diverted \$500 from a scholarship into an off-campus account for his personal use.

Mr. Wallace was given four years deferred adjudication, a \$1,500 fine, and 280 hours of community service. He was also ordered to pay full restitution; at the time of the plea he had returned \$16,250. Mr. Wallace will pay the remainder during his probation.

If you have any questions contact either Ralph Disher, Investigator, or John Weber, Manager, Special Investigations Unit, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA  
State Auditor

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cc: Mr. Tito Guerrero III, President, Stephen F. Austin State University  
The Honorable Ed Klein, Nacogdoches District Attorney

The Special Investigations Unit investigates reports of illegal activity involving state agencies and universities. The Unit refers the results to prosecuting authorities. Texas Government Code, Section 321.022, requires state agencies to report suspected fraud or unlawful conduct to the State Auditor's Office if there are facts (not just suspicion) that point to fraud or unlawful conduct.

To report suspected illegal activity, call 1-800-TX-AUDIT (1-800-892-8348), send a fax to (512) 936-9400, visit [www.sao.state.tx.us](http://www.sao.state.tx.us), or mail information to the State Auditor's Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.

