



The 241st meeting of the Rhode Island Student Loan Authority was held on Tuesday, January 19, 2007 in the 2nd floor Conference Room, 560 Jefferson Boulevard, Warwick Rhode Island. Dr. Robert McKenna called the meeting to order at 10:45 A.M.

The following Board members were in attendance:

Dr. Anthony Santoro
Dr. Robert McKenna
Dr. William Croasdale
Mr. John Howell
Ms. Patricia Doyle
Mr. Frank Caprio

Others in attendance:

Mr. Noel Simpson, Executive Director, RISLA
Ms. Jennifer Dutch, RISLA
Mr. Charles P. Kelley, Executive Director, NESLA
Mr. David Souto, NESLA
Mr. David DeBlois, NESLA
Mr. Gregory Silva, RIHEAA
Ms. Nancy Ann Dooley, RIHEAA
Mr. Joseph R. Palumbo, Jr., General Counsel

Upon a motion duly made it was unanimously

VOTED: To approve the minutes of the Board meeting held on December 12, 2006.

Chairman's Report

Dr. Santoro asked Mr. Palumbo for an update on the indictment of two high level executives at CVS, which make references to former Senator John Celona's ex-officio membership on the RISLA Board.

Mr. Palumbo explained that two high level executives at CVS were indicted which reportedly is part of an ongoing investigation by the Justice Department into the relationships between former Senator Celona and CVS. Mr. Palumbo indicated that the indictment for the most part has to do with Mr. Celona's alleged efforts to kill the freedom of choice legislation as it relates to the use of Blue Cross at pharmacies. Mr.

Palumbo indicated that there are about 6 or 7 paragraphs in the indictment that refer to Mr. Celona's activities while he was a member of the RISLA Board in 2002 regarding his advocacy of the pharmacy reward program.

Mr. Palumbo asked Mr. Kelley to provide the Board with some background in terms of how the pharmacy reward program was adopted.

Mr. Kelley discussed an article that was in the Providence Journal on August 24, 2001 and a memo to the board dated March 12, 2002 which Mr. Kelley prepared regarding the program. Mr. Kelley mentioned that the memo to the Board was a synopsis of the due diligence that was done in connection with the program. Mr. Kelley noted that URI is the only school in Rhode Island to have the pharmacy reward program and it is a six year course. Mr. Kelley noted that there are four former students who are recipients of this program and none of them work at CVS.

Mr. Palumbo noted that at the request of the FBI, RISLA has provided copies of minutes of various RISLA Board meetings held in 2002 when the pharmacy reward program was discussed.

Mr. Simpson noted that there was extensive discussion about the program and it was considered over the course of several meetings and after talking to University of Rhode Island about its need.

Dr. Santoro asked what the timeframe was from the first discussions about the program to adopting the program.

Mr. Palumbo indicated that the program was brought up for the first time in January, 2002. Mr. Kelley then did due diligence and provided a report to the board. Mr. Palumbo noted that the program was approved in March 2002 but at subsequent meetings there was continuing discussion in terms of developing the details of the program which resulted in the adoption the regulations for the program.

Dr. Santoro asked if there are similar programs in other states. Mr. Simpson noted that there are similar programs but he is not aware of the details of these programs.

The Board discussed the elements of a response to any inquiries about the matter and whether a proactive statement be sent to colleges, universities, and state government leaders assuring them of the RISLA Board's continued support of the program.

Dr. Santoro indicated that there should be a single voice to respond to any inquiries by the press and that Mr. Simpson should be that person.

Upon a motion by Mr. Howell and seconded by Dr. Croasdale, it was unanimously

VOTED: To enter into Executive Session pursuant to GLRI §42-26-5(a)(7) to discuss a matter involving the investment of public funds.

At 11:50 A.M., the open session was reconvened.

Dr. Santoro asked the General Treasurer if it would be difficult for his schedule to attend both the RIHEAA and RISLA Board meetings on the same day. The Treasurer indicated that he would like to have the meetings held on the same day and would continue to be present at the meetings or would have a representative present on his behalf.

Mr. Simpson noted that he received a correspondence from Mr. Kelley which was an offer from Peterson's – a company that was acquired by Nelnet this summer. Mr. Simpson noted that the offer was to supplement the Authority's existing SAT classroom program with an on-line course to help students prepare for the SAT. Mr. Simpson indicated that students are starting to prepare now for the May SAT. Mr. Simpson indicated that for the classroom course which has been offered by RISLA over the last four years RISLA typically has hired instructors from the local high schools.

In response to a query from Dr. Santoro, Mr. Palumbo indicated that since the program offered by Peterson's would be at no cost RISLA would not be required to solicit bids from others.

Mr. Kelley indicated that there would be a free pilot for 11 schools and the result would be monitored for future use of the program.

Dr. Santoro stated that this is a pilot program and that it comes at the right time because it can be evaluated thereafter.

Mr. Kelley noted that Peterson's will not sell any data collected on students.

Mr. Simpson noted that North Providence High School is going to run the classroom course instead of the Peterson course because Jack Kelly feels the classroom course would keep these students more focused.

Upon a motion by Dr. Croasdale and seconded Mr. Howell it was unanimously

VOTED: To accept the offer from Peterson's to provide on-line SAT preparation at no cost to RISLA.

Upon a motion by Dr. Croasdale and seconded by Mr. Howell it was unanimously

VOTED: To adjourn

Dr. Santoro adjourned the meeting at 12:00 P.M.

Adjournment was at 12:00 P.M.

Mr. John Howell
Secretary