



Minister John Halligan
Minister for Training, Skills & Innovation

Deputy Sean Fleming T.D.
Chairman
Committee of Public Accounts
Leinster House
Dublin 2

3rd May 2017

Dear Deputy Fleming,

I refer to your correspondence concerning the Public Accounts Committee meeting on 6th April 2017 and press release which I issued regarding the appearance of Waterford Institute of Technology President Professor Willie Donnelly.

Please see below my concerns in relation to potentially incorrect suggestions of impropriety which, I feel, arose out of questioning of Professor Willie Donnelly regarding possible conflicts of interest surrounding the development and sale of spin-out software company FeedHenry:

1) Reference was made to inaccurate information given to the PAC on 10th December 2015, when Professor Donnelly said he was not a director of spinout company FeedHenry. It was confirmed that Professor Donnelly later clarified that he had been mistaken in his answer and that he had been a director for a period.

Regarding this incident, it was stated at the PAC on 6th April that Professor Donnelly 'not alone gave misinformation to the committee, he also misled the board of governors'.

Reference was also made to Professor Donnelly's 'attempt to clear up the record' by subsequently writing to the PAC.

Furthermore, in light of his previous error, Professor Donnelly was twice asked whether he would answer the questions put to him on 6th April 'fairly and accurately'.

Whilst I wholeheartedly value the work of the PAC in pursuing transparency and accountability, I felt there was an inference that Professor Donnelly had deliberately not endeavoured to give accurate information to the PAC in the past, something which has the potential to be hugely damaging to the reputation of Professor Donnelly as President of WIT and indeed to the Institute itself, by association.

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2) I have further concerns that a perception created by describing a 'matrix of conflicts of interest' at WIT suggests serious mismanagement while Professor Donnelly was head of research and innovation and a member of the commercialisation committee.

'Alarm' was expressed 'that people may be wearing multiple hats and are not in a position to do the job they are well paid to do'. The possibility that the President of an Institute is or was not doing his or her job cannot be taken lightly.

It is my understanding that WIT's IP Policy has been reviewed by external consultants with expertise in the area, the process undertaken included a review and analysis of national and international Research Performing Organisations' IP Policies as well as a review of the National IP Protocol. This internally-initiated review highlighted the robustness of the Institute's Policy which benchmarks very favourably against both national international best practice.

Additionally, since the Institute was first funded through TTSI in 2008, it has participated in a number of peer reviews overseen by international panels. In all cases, the institute has consistently met its targets and also under these processes benchmarked favourable against national peers.

3) Reference was made on several occasions to the fact that, as a shareholder, Professor Donnelly benefitted substantially from the sale of FeedHenry while the stake of WIT was diluted.

It should be noted that public records indicate that by the time of the final sale of FeedHenry to RedHat in September 2014 the shareholdings of all the initial shareholders including that of the Institute - were considerably diluted as a result of successful rounds of external investments; this approach is consistent with commercialisation structures adopted by RPOs.

I am concerned that it could be perceived as inappropriate that Professor Donnelly was a shareholder in FeedHenry as it is my understanding that all academics are fully entitled to commercialise their intellectual property, as stated in both national and international policies.

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