



## Report Highlights

# Louisiana State University System's Affiliate Relationship with the Louisiana Health Information Technology Foundation

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## Why We Conducted This Work

The Louisiana State University System (LSU) President requested that the Louisiana Legislative Auditor review the relationship between LSU and a not-for-profit entity named Louisiana Health Information Technology Foundation (LaHIT). LaHIT was used to license LSU intellectual property for commercial use.

## What We Found

Overall, we found that LSU did not follow its own procedures and bylaws, or ensure proper oversight by the LSU Board, when forming LaHIT and licensing CLIQ for commercial use. As a result, the terms of the license agreements may have been less favorable to LSU, the legal costs paid for creating and/or for the benefits of the associated corporations may have violated the Louisiana Constitution, and potential conflicts of interest involving an LSU official and employees were created. Specifically, we identified the following issues:

CLincial InQuiry (CLIQ) is an LSU-developed software application comprising an electronic medical record and clinical data infrastructure and repository. The software enables a web-based portal that allows healthcare practitioners secure access to electronic patient information, which includes visit history, laboratory results, allergies, medications, immunization history, preventive health reminders, etc.

- **LSU management did not follow its own established practice and by-laws when creating LaHIT as a licensee for LSU technology transfer or for the commercialization of intellectual property.** This gave LaHIT control over licensing proceeds and the terms of the sublicense agreement, and may have prevented the LSU developers of the software from receiving the full amount of royalties owed to them.
- **While not prohibited by LSU policy, such policies do not clearly define the circumstances under which LSU can assist non-LSU entities in the commercialization of LSU technology.** In addition, legal costs paid for the creation of and/or for the benefit of corporations may have violated Article VII, Section 14 of the Louisiana Constitution.
- **LSU management did not adhere to its process for licensing intellectual property when licensing the CLIQ software for commercial use.** As a result, LSU's control over aspects of the commercialization and the LSU President's and Board's ability to make appropriate decisions was weakened, resulting in conflicts of interest.
- **LSU management failed to bring three LSU agreements related to the licensing of the CLIQ software before the LSU Board for formal approval.** As a result, the LSU Board was not able to review, recognize, and approve to ensure proper Board oversight.
- **Arrangements adopted by LSU to license the CLIQ software created potential conflicts of interest involving an LSU official and employees.** Specifically, an LSU official who stood to gain from the success of CLIQ entered into contracts with HarmonIQ and HarmonIQ's President.

View the full report, including report responses, at [www.lla.la.gov](http://www.lla.la.gov).