

Eric Rasmusen, [erasmuse61@gmail.com](mailto:erasmuse61@gmail.com)  
February 5, 2021

**Response of Professor Eric Rasmusen  
to the  
January 25, 2021 Investigative Report  
of  
Indiana University's Office of Institutional Equity**

In November 2019, Professor Eric Rasmusen of Indiana University-Bloomington's Department of [Business Economics and Public Policy](#) in the Kelley School of Business was "cancelled" in a tweetstorm originating November 19 with the [475,000-member](#) Twitter dating-account, *SheRatesDogs*, <https://twitter.com/SheRatesDogs>. Professor Rasmusen, [one of the top scholars](#) at Indiana University, is also well-known as a Christian and conservative, and had been in the national news in 2003 for his weblog posts. In 2019, he quoted a sentence on genius personality traits and sex from an article criticizing academia as being feminized by "schoolmarm" and "head girl" administrators. Provost [Lauren Robel](#) and Kelley Dean [Idalene Kesner](#) immediately issued public denunciations of Professor Rasmusen and called for informants to come forward. He responded by setting up a website linking to the various documents involved and quoting emails from supporters and enemies, <http://www.rasmusen.org/special/2019kerfuffle/> .

In January 2020, a formal Indiana University Title IX investigation was begun into allegations that Professor Rasmusen made "unwelcome comments based on race, sex, sexual orientation, and religion," and "regularly-occurring and unwelcome comments on Twitter and other social platforms." He was immediately moved from his usual office to another building on the grounds that he was an active threat to those around him. In September 2020, the Title IX officer interviewed him. January 25, 2021, the office sent him their report and gave him until 5pm on February 5 to respond.

I am Professor Rasmusen, and the present document is my response. I begin with this short summary. I then use the "fisking" format, quoting the Title IX office's report in full with my responses interwoven. This requires 45 pages plus 25 pages of attachments since the allegations are trivial but numerous. My responses are in blue. I have boldfaced some phrases in the report for the reader's convenience.

Title IX has special procedures which offer less due process than for other academic misconduct such as plagiarism, racial discrimination, and embezzlement. This lack of due process has been criticized, and the Trump Administration promulgated revised rules in May 2020 in [34 CFR 106.45](#) that required a hearing, naming the accusers, providing the evidence to the accused, and cross-examination. Indiana University claims it can use [the old procedures](#) for all discrimination allegations for complaints received before May 2020. This is of dubious legality. The University's report also discusses allegations concerning violations of FERPA and an Indiana textbook-price transparency statute that have no connection to discrimination of any kind, though it refrains from recommending penalties for them.

The report recommends a multitude of small penalties, ranging from exclusion from hiring new faculty to students being told they do not have take required classes that I teach. This report was prepared by the office of Director of Institutional Equity Emily Springston. The next step is for Vice-Provost Eliza Pavalko to judge whether to accept the report's conclusions and to decide on penalties for me. I can then appeal to Provost Lauren Robel. After her decision, I can then appeal to the 5-member Faculty Board of Review, composed of Professors Krista Glazewski (Education), Virginia Hojas Carbonell (Spanish & Portuguese), Amy Piper (Speech and Hearing Sciences), Linda Pisano (Theatre, Drama and Contemporary Dance), and Geoff Sprinkle (Kelley School). My last appeal is to President Michael McRobbie. The Faculty Misconduct Committee is excluded from the entire process.

The allegations are numerous but trivial. The alleged offenses include claims that I mocked a Chinese student by mispronouncing "lawyer" in a stereotypical way (the Chinese student himself has no recollection of this); telling the class that two members who sat next to each other in a past semester got married but joking that since I saw only males sitting next to males and females next to females that probably wouldn't happen this year (interpreted as an offense against homosexuals); putting my syllabus on <http://rasmusen.org/g406/g406.htm>, a web address similar to the address for my personal site, <http://rasmusen.org/index.htm>, in the hopes that students would view my weblog; including a photograph of Adolf Hitler in the readings; telling a story about a car accident and mentioning that the driver was Hispanic; asking foreign students questions about their home countries, thus singling them out on account of their national origin; and acting as if I could tell someone's country of origin from their surname. Going beyond the actual incidents themselves, many of the allegations say that whatever my actual behavior might be, I made students "feel" I might discriminate against them, or make them "feel concerned" for other students that I might be discriminating against. The conclusions are not so much that I actually discriminated, but that I made the students feel like I might. The same is true of allegations that I discriminated against my colleagues: they are not that I actually discriminated, but that they felt uncomfortable and thought I might discriminate against colleagues who were Asian or female because of my political and religious beliefs and the power differential from my status as one of the eight tenured professors in the department.

In the final section, the report brings up additional allegations such as that I used "terms of violence" on my syllabus, the example being my use of "he" as the impersonal pronoun.

These allegations are either false (e.g., that I spoke with a fake Japanese accent to mock a Chinese student) or consist of harmless and normal behavior. You may not believe that the report concludes that I have engaged in "sexual misbehavior" based on such flimsy allegations and evidence, but that is one reason I have used the fishing style with its complete quotation of the report. You have to see it to believe it.

Note: When I return this to Vice-Provost Eliza Pavalko on February 5, I will also let her know some of my plans for what to do if the end result is unsatisfactory, in the cover email. I still have not written that, and it will take careful consideration to decide how much to reveal there.

Date: 1/25/2021  
 From: Office of Institutional Equity  
 To: Eliza Pavalko, Vice Provost for Faculty & Academic Affairs  
 Re: Report & Recommendation on Allegations of Misconduct by Eric Rasmusen

### **Investigation Report**

*This memorandum serves as a report of an investigation conducted by the Office of Institutional Equity (OIE) in response to allegations of misconduct by Eric Rasmusen (Respondent), a Professor of Business Economics & Public Policy in the Kelley School of Business (KSB or School), which may be in violation of the university's Non-Discrimination Policy UA-01, the Discrimination, Harassment & Sexual Misconduct Policy UA-03, the Code of Academic Ethics ACA-33, and IU's Principles of Ethical Conduct. Consistent with the timing of the complaints and concerns raised in this matter, this investigation has been conducted pursuant to the procedures set forth in archived Policy UA-03.<sup>1</sup>*

### **Allegations**

*It is alleged that Respondent has engaged in harassing and discriminatory behavior toward students and employees in the academic and work environments, while a professor within the Department of Business Economics & Public Policy within the KSB. Collectively, allegations from students and faculty were that the scope and extent of Respondent's unwelcome comments based on race, sex, national origin, sexual orientation, and religion created hostile academic and work environments.*

I wonder how many of the complaining students and faculty said that I “created hostile academic and work environments”. Those are legal terms. If students and faculty really believe I did that, they could sue me and the university and receive considerable monetary damages. Nobody has done that. Thus, I am skeptical.

I think it imprudent for the university to claim that a professor “created hostile academic and work environments.” Isn't this an admission that opens the university up to hundreds of thousands of dollars in legal liability from victim lawsuits? Even if the university admits this in court and pays the damages, I

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<sup>1</sup> *At the time this investigation began, UA-03 was referred to as the Sexual Misconduct Policy, and addressed sexual misconduct. It is now archived policy UA-03. The archived policy provides the process for addressing sexual misconduct, including allegations of sex-based discrimination and harassment. It was and remains **the practice of this office to apply the procedures for allegations of sexual misconduct against faculty where allegations include both sexual harassment as well as one or more other forms of discrimination and/or harassment based on another protected class, such as in this case. Therefore, the procedures under Archived UA-03 guide this investigation and adjudication process, and all allegations included herein.***

I asked about this legal point in my September 2020 interview. Faculty have more due process protection against bogus charges if they are not about sexual harassment, which is uniquely governed by the Title IX rules. Other kinds of charges are evaluated by the several members of the Faculty Misconduct Committee instead of just by Vice Chancellor Eliza Pavalko, the Allen D. and Polly S. Grimshaw professor of Sociology, whose “research interests lie in the areas of the sociology of the life course, aging, health, work, gender and social change.” Also, the University is applying the 2019 Title IX federal rules, not the new rules promulgated in May 2020. That is wrong, I think, though it would take legal research to be certain.

contest the allegations' truth.

### Investigation

#### A. Background

**Between September and November 2019, four students** who had enrolled in Respondent's BUS-G406 Business Enterprise & Public Policy class (G406), submitted complaints regarding Respondent's conduct in the classroom, via IU's online bias reporting website. Per standard bias response processes, the Director of Bias Response in the Division of Student Affairs **reached out to these students to learn more**. Information regarding their complaints is provided below under section C.

On November 20, Dean Idalene Kesner said I was "Sexist, racist, homophobic, reprehensible, and intolerant," and invited people to come forward as confidential informants. Provost Lauren Robel said I was "Sexist, racist, homophobic, bigoted, and stunningly ignorant," and invited people to come forward as confidential informants. That is the origin of this report.

The office also seems to have reached out to every student in my class and every instructor in my department. They quote 13 out of the 19 students in my class below, and quite a few of my colleagues too.

The complaints were not filed "between September and November 2019". They were filed after the calls by Dean Kesner and Provost Robel. Indiana University told reporters in November 2019 that they had never had any complaints about me in the 27 years since I started teaching in 1992. To be specific, a November 20, 2019 story in the *Indianapolis Star* said:

If Rasmusen acted upon some of his expressed views in the workplace — judging students or colleagues on the basis of their gender, sexual orientation or race to their detriment— he would be in violation of the university's nondiscrimination policy, according to Robel's letter. Allegations of such conduct would be investigated.

Chuck Carney, a university spokesperson, said Wednesday **he is not aware of any such evidence so far**.

("IU won't fire professor for tweets provost called 'racist, sexist and homophobic'," Arika Herron and Michael Reschke, *Indianapolis Star* and *The Herald-Times*, <https://www.indystar.com/story/news/education/2019/11/20/indiana-university-iu-professor-tweets-women-gay-men-academia/4255142002/>.)

*The New York Times* said on November 22, 2019:

**As of Thursday night, the business school was not aware of any complaints filed against Professor Rasmusen for his behavior in class, the provost said**, but she and other university officials encouraged

former students or colleagues to come forward if they believed they had been discriminated against.

("Our Professor's Views Are Vile, University Says. But We Can't Fire Him," *The New York Times*, Nicholas Bogel-Burroughs, Nov. 22, 2019.)

Further information comes from *Indianapolis Monthly's* May 1, 2020 article by Matthew Gonzalez, "Vile" Remarks by Professor Put IU to the Test":

According to IU spokesman Chuck Carney, the school is now looking into **two new student allegations against Rasmusen...**

Carney does say the **two student complaints that the school is currently reviewing** were lodged **before** Rasmusen's controversial tweets. Why didn't those complaints—**the first against Rasmusen in his 28-year teaching career**—spark an investigation? **According to Carney, the students "requested that nothing be acted upon until the semester concluded."**

When IM made Rasmusen aware of those details about the complaints, he agreed to comment briefly by email. "That's very interesting information," he wrote. He said IU had given him very little information about the accusations, and that he was "relieved" that they were from students and **not fellow faculty members**—he'd originally assumed the latter, since he had been removed from his office. Rasmusen went on to say he didn't know when the complaints were made, but that he had addressed the Twitter controversy in the classroom, inviting all of his students to email him anonymously with any concerns using an encrypted email service. "One student submitted a long email saying he (or she) thought I'd twice said things in the class that were insensitive, and asked if I could give **any reason why he shouldn't report** those incidents," he wrote. Rasmusen has no idea if that student ended up reporting him. But, if so, **it would have been after the university started soliciting** student complaints.

Thus, IU spokesman Chuck Carney told an *Indianapolis Monthly* reporter what the University would not tell Professor Rasmusen: that there were two complaints, and they were from students. Two, not the four that the Investigative Report claims were filed.

Moreover, although Carney, like the Investigative Report, claimed that the complaints were filed before the Provost's call for confidential informants, this contradicts the University's November statements that no complaints had been filed, and Professor Rasmusen himself had been told by the most vociferous student that the student had yet to file a complaint. Attachment A gives the long criticisms anonymously emailed to Professor Rasmusen by that student, where he asks whether he should file them as formal complaints. Note that the student apparently decided not to file one of them: his criticism of the professor for joking about "Don't

commit suicide till you've seen how easy the curve is" while handing back the midterms as being insensitive to students who had friends who had committed suicide.

IU spokesman Carney also revealed to the *Indianapolis Monthly* that even before the call for student confidential informants, the Kelley School administration had launched an investigation based just on the tweets, with no evidence at all of bias in the classroom:

Carney, the IU spokesman, says that **while Rasmusen didn't violate the university's social media policy** ("he was expressing his views as a private citizen"), the **Kelley School launched the investigation** "in light of the comments on social media" **last fall just the same**. Administrators **there** continue to conduct the investigation, about which they won't provide much detail because they say it's a personnel matter.

It is curious that "administrators there"—that is, Kelley School administrators—began and "continue to conduct the investigation", when the University puts the responsibility for investigating Title IX complaints with the Office of Institutional Equity. Did the Kelley School investigation follow the procedures of University Policy UA-03 on Discrimination, Harassment, and Sexual Misconduct at <https://policies.iu.edu/policies/ua-03-discrimination-harassment-and-sexual-misconduct/>?

*In November 2019, Respondent shared a link to an article on his Twitter account entitled, "Are Women Destroying Academia? Probably" written by Lance Welton and originally posted on the Unz Review.*

*Respondent quoted a line of the article that said that "geniuses are overwhelmingly male because they combine outlier IQ with moderately low Agreeableness and Moderately low Conscientiousness." That same day, Respondent also tweeted about Lisa Page—the Justice Department lawyer who was in the news following an affair with an FBI official—referring to her as a "slut who was having an adulterous affair at the office." Respondent's tweets quickly came to the attention of the IU community<sup>3</sup>, as they were retweeted by an outside account with **half a million followers**. The*

<sup>2</sup> For purposes of this report, statements made by Respondent online (via Twitter or his blogpost housed on his website) are provided in the original and are italicized, unless otherwise noted.

<sup>3</sup> For example, around that time an IU student submitted Respondent's tweets to a **Twitter account in the dating world ("SheRatesDogs")**. The same Twitter account

Do Provost Robel, Dean Kesner, and Vice-Provost Pavalko really want to take their cues for university policy from a dating website? CBS News said, "A Twitter account with a large following tweeted the professor's post, which garnered 4,000 retweets and nearly 30,000 likes— capturing the university's attention," but the fact that 30,000 people on the web dislike a statement says nothing, since in the Internet Age, it's easy to find 30,000 people out of the 4.66 billion on the web to condemn statement X, whatever X may be. That's only 0.00064% of web users, and, in fact, only 6% even of SheRatesDogs.com members. <https://www.cbsnews.com/news/professor-get-to-keep-job-despite-posts-school-calls-racist-sexist-and-homophobic/> <https://www.statista.com/statistics/617136/digital-population->



university began to receive a significant number of complaints, including concerns reported by current and former students, **concerns shared by Respondent's colleagues**, as well as **concerns from the larger IU community - KSB alumni, outside recruiters who worked for corporations and other entities that would typically recruit KSB students,**<sup>4</sup> parents, and those in the general public.

How about major donors? Rumor has it that some major donor was upset and wanted me fired. It's interesting that IU is admitting that pressure from large corporations is a factor in their decisionmaking.

I'd like to see evidence on this— in particular that my colleagues complained to the University, as opposed to, perhaps, grouching privately about me.

It's odd that they mention the Twitter tweets. Those tweets are clearly protected speech, so why are they relevant to this investigation?

*On January 3, 2020, OIE sent Respondent a letter notifying him of this investigation arising from allegations of unwelcome comments based on race, sex, sexual orientation, and religion, that had allegedly created hostile academic and work environments. On August 26, 2020, this office sent Respondent an updated notice to ensure he was informed that, based on additional information and reports to our office, this office was reviewing additional allegations. These included further **regularly- occurring comments on Twitter<sup>5</sup> and other social platforms**. These appeared to be closely connected with other complaints and concerns discussed below, so a supplemental notice was deemed to be fair and appropriate.*

False. I was on Twitter a lot in 2019, but I did very little on it from January to July 2020. I was on Twitter a little in August 2020, and then not much till December or January. I hardly ever use "other social platforms", whatever is meant by that. I have Facebook and Pinterest accounts, but I hardly ever post there.

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[worldwide/#:~:text=Almost%204.66%20billion%20people%20were,percent%20of%20total%20internet%20users](#)

also highlighted a November 19, 2019 tweet in which Respondent stated that he just realized "*Women's Studies and Home Ec are the same thing. They are both meant to teach a woman how to live her life. It's just that only one of them keeps its promise.*" The SheRatesDogs Twitter account also linked to a 2003 Chicago Tribune article highlighting the Respondent's derogatory tweet regarding homosexuals (see Footnote 6).

<sup>4</sup> KSB has explained that **executives at several companies** have indicated to KSB they are reevaluating whether to recruit at KSB in direct response to Respondent's Twitter posting.

I heard a story that Dean Kesner told a group of faculty that she was under intense pressure from one high executive of an accounting firm in particular. She said that she tried to explain to him that it was unlawful for her to fire Professor Rasmusen even if she wanted to, because he had tenure, but that the executive kept insisting, saying, "There's always a way; there's always some technicality you can use to fire him." This is hearsay, but it could be investigated.

<sup>5</sup> This included the following: "*I just dropped my freshman son off at Purdue earlier today. Those girls are really showing off their legs! And I could see girls sitting alone just hoping for a friend—even a female friend, maybe. Parents don't realize that college is a jungle full of hungry predators.*" (Twitter Aug. 22, 2020); "*In their hearts which would churchgoing parents rather have their daughter surrender, if necessary (a) their college degree, or (b) their chastity. It would be a tough decision for all of us, even if an easy one. What do \*you\* think, reader?*" (Twitter Aug. 22, 2020); and "*Quite true—but what about a debt-free virgin versus a harlot making \$150,000/year as a lawyer? It gets tougher.*" (Twitter Aug. 22, 2020).

**Beginning in September of 2019**

Really? Nobody ever told me there were any complaints until late November 2019. Provost Robel and Spokesperson Carney told reporters in November 2019 that there had been no previous complaints, as I explained above. Somebody has been misinforming the OIE investigators.

*and continuing through the spring semester,*

Spring 2020 was after the Dean and Provost had in November 2019 solicited complaints in their emails to thousands of people.

*the university received complaints from Respondent's **current and former students** regarding their concerns with his conduct in the classroom, as well as from faculty within KSB regarding his conduct within the Department and School. Many of these individuals shared complaints indicating that Respondent's behavior in the classroom and in his Department are disrespectful to some students and colleagues. These indicated a pattern of behavior, which singles out some groups and relates to, or concurs with, the positions Respondent has taken in his online posts and tweets. The information summarized below is compiled from information gathered through the Division of Student Affairs online bias reporting and response process; from KSB Dean Idie Kesner, who made herself available shortly after the November 2019 Twitter post to meet with students who raised concerns and complaints regarding Respondent; as well as from information individuals shared directly with this office.*

*Following Respondent's November 2019 Twitter post, **KSB implemented steps to monitor Respondent's classroom** to address concerns raised of potential bias in the classroom. Around that same time, Respondent instructed the students in his Fall 2019 G406 class to use anonymous emails to send him questions in connection with this incident. Students described that for one of their classes, Respondent instructed that they all needed to send him an anonymous e-mail related to the incident, and that in order for each student to get class participation points, 100% of the students in the course **had to send at least one anonymous question to him; if any one student did not participate, then no one would get class participation points**. Respondent then responded to these questions in a written statement which was then made available to his students. These responses are attached as Attachment A.*

For Fall 2019 I gave permission for these steps to be taken for that semester, while letting the Administration know that they could not *require* them without violating the standard rules of academic freedom, and that the courts had actually ruled against a university which tried to violate a professor's rights by so doing. In Spring 2021 I withdrew my permission, but the Administration required the steps anyway.

The idea of requiring the students to submit questions was to ensure anonymity and the freedom to reply frankly in a police-state atmosphere. Also, it was an opportunity to teach students how to use anonymous, untraceable email. I instructed them on how to use the Proton anonymous email site, which might prove useful to them if they need to do whistleblowing about illegal corporate actions by their future employers. Clearly, some student copied the answers and gave them to the "police". That is unfortunate.



Note that I told them their question could be a “blank” question; they didn’t have to give it any thought. The point of the exercise was to make sure everyone learned how to send an anonymous email, not to think of a good question.

**B. Respondent’s website, blog, and social media connections to the classroom and the workspace**

*Since the start of the current investigation, this office focused on gathering information related to Respondent’s conduct in the classroom and academic environment. As noted above, Respondent was noticed specifically that there had been concerns alleging potential discriminatory conduct in those settings. As the investigation progressed, the concerns brought forward and set forth below, particularly by students, suggested a greater connection between Respondent’s online statements and his role and influence in the classroom and the department. As a result, as referenced above, Respondent was provided notice of that broadened concern and OIE reviewed Respondent’s website, blog and social media statements in connection with his classroom and academic department comments as part of this analysis.*

*Respondent’s online posts include both content directly related to his academic area of economics, as well as content on a wide variety of topics and issues including poetry, politics, current events, history and religion. In this investigation, OIE reviewed online and social media posts that appear to concern a protected class: such as race, national origin, religion, sex, and sexual orientation. **To provide context to the statements Respondent has made online while an instructor and faculty member at KSB, this report incorporates a sample of the latter types of posts as footnotes herein, where such statements appear relevant to the nature of the complaint raised by students and faculty. A more complete collection of Respondent’s postings that malign or mischaracterize under-represented minorities or individuals with protected characteristics remains available online.***<sup>6</sup>

I don’t know what this means. Can anybody else understand it? I was hoping that footnote 6 would tell us where to find this “more complete collection of Respondent’s postings that malign or mischaracterize”. Where is it?

On the day in November 2019 that Provost Robel published her attack on me, we talked on the phone. I complained that she had defamed me, attributing to me policy positions that I did not hold and never had held. She told me she had evidence to prove that I’d publicly taken those positions. I have never seen that evidence, and it is not in this report either.

**C. Students enrolled in Fall 2019 Classes**

*Both prior to and around the time of the publicized 2019 Twitter incident, four students filed complaints via an online bias incident reporting form regarding Respondent’s Fall 2019 G406 class.*

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<sup>6</sup> We note that many of Respondent’s posts and blogs are no longer online; **his Twitter account appears set to delete posts after three months and his current weblog site is new. Some views of Respondent’s older weblog site are available as archives dating back to 2007.**

I didn’t know my Twitter posts were gone. That’s too bad— my original intent was to use Twitter as a way to keep notes on interesting articles I’d come across.

I’ve had trouble with blog software. Most of my old blogs have stopped working for some reason or other. I’d love it if someone could get them to working again. The posts are trapped in a database I still have, I think, but I don’t know how Apache and such computer apps work to move info from databases to where someone can see it.



As I explained above, both University Spokesperson Chuck Carney and Provost Lauren Robel told reporters in November 2019 that there had been no prior complaints about Professor Rasmussen. Someone is lying.

eric rasmussen you actually should take his class! if you crimination you can threaten to sue and actually give iu

Their online submittals are set forth below in the order received through the online site:

In evaluating the credibility of these witnesses, the possibility should be kept in mind that they are strongly opposed to Professor Rasmussen’s political views and believe that untruths are justified if they serve a good cause, especially if the victim of the untruths is a bad person. The November 27, 2019 Tweet below is not by a student in the class, but it is evidence of how some students think. Note that it was retweeted twice and received 26 “Likes”. As of February 4, 2021, “Asherah” of Indiana has 1,433 followers.

February 3, 2021, another student, probably a former student, said on Twitter that she feels like throwing herself down a flight of stairs so she can frame me for her murder. That is jocular, of course, but it indicates her frame of mind—and she may well be one of the anonymous informants quoted in this Investigative Report. Note, too, the 35 retweets, 14 quote tweets, and 505 Likes.

I came across another tweet of Asherah’s at <https://www.facebook.com/catsacab/posts/>

My dad and I are now banned from the room when my mother watches the crown because we cheered when the ira bombed their boat

7:16 PM · 15 Nov 20 · Twitter for iPhone

859 24 Comments 93 Shares

[rcome clare05status1328129854773063680s19/169443654820216/](https://www.facebook.com/catsacab/posts/) that shows her mindset, which I’m afraid is not uncommon. “when the ira bombed their boat” refers to the



Part of the wreckage of Lord Mountbatten's boat the Shadow V after it had been bombed by the IRA in August 1979. Independent News and Media/Getty Images

August 27, 1979 murder by the Irish Republican Army of the World War II hero and last Viceroy of India Lord Louis Mountbatten, aged 79, his 14-year-old grandson, a 15-year-old friend, and the grandson's grandmother on the other side of the family. Asherah was not one of my students, but she is typical of the woke student type. If the University's procedure allowed for cross-examination of witnesses, we could each of the hostile witnesses that follow in the rest of this report whether they, too, think that murdering old men and women and teenagers advances the cause of justice. As it is, we can only conjecture. The answer is relevant to their credibility.

"value" created by the regulation. We have actually made precise how good the regulation is, and done it in an objective way. That's surprising—how can a political issue, on which these four people disagree, be made objective? The trick is that it is objective only from the point of view of a neutral observer. Our basic data is the subjective values each of the four people—Anderson, Brown, Corman, and Daniels—put on the policy.<sup>5</sup> But once we have those values, we have an objective method of putting them all together. It is like determining the value of a corporation. Once we have the sales figures, prices, and costs, determining the value of a company is an objective process (though not easy, since we're trying to forecast future profits, and forecasters will disagree). Future sales, though, depend on how much consumers like the company's product, which depends on their subjective values. Placing a dollar value on the regulation's improvement combines subjective data objectively in the same way.

FIGURE 1.2  
PARETO OPTIMALITY



In practice, most government policies are not Pareto improvements. Almost always, at least one person loses from a change in policy, and the policies do not include side payments to losers. Such payments would be highly impractical to make. Imagine trying to tax people whose preferred presidential candidate won so as to pay compensation to the voters who lost. If we insist that every new policy make nobody worse off, we'd rule out virtually all new policies. Surplus maximization is a more practical criterion. Whichever arsenic regulation is chosen, someone is going to be unhappy, so it seems sensible to try to evaluate how strongly each side feels. Moreover, since governments make policies on a vast number of subjects, anyone who loses from use of the surplus maximization criterion to change one policy is likely to win with its use for other policies.

Surplus analysis is also useful because even if maximizing total surplus is not the

<sup>5</sup>"Four people" introduces another problem, illustrated by Figure 1.2. Think too of the 1981 Gary Larson *Far Side* cartoon of three men and a dog in a boat with the caption "Fair is fair, Larry.. We're out of food, we drew straws, you lost."

One student, **Witness 1**, reported that she dropped the class early on, due to **her perception that Respondent was anti-Semitic**. The student stated that Respondent's "textbook was blatantly anti-Semitic." The student shared a photo from a page in the textbook which included a photo of Adolf Hitler. As Respondent explained (see section F. below), the photo was intended to be used as part of an illustration of Pareto improvements, an economic concept, and was alongside photos of Respondent, a slave in bondage, and a puppy. It was not labeled in any way. The student stated that "this page alone shows (Respondent) is not fostering a safe learning environment." She stated that she "felt very unsafe and targeted in his class." She went on to state her view that "his textbook, which he wrote himself, had an unnecessary and unexplained photo of Adolph Hitler which prompted me to drop his class.

Anyone who drops a class because of a photo of Hitler whose purpose she can't understand is not a reliable

source. Witness 1 is thus unreliable. See Appendix B here for an explanation to the investigator of the place of the photo of Hitler in teaching.

Since when is a student's stated perceptions about a professor whose politics she hates relevant to anything? I perceive Provost Robel as being fascist in her attitude, but why should anybody care what I perceive? All that matters is what I can show about her actions.



*I have been told by students who stayed in his class*

Double hearsay.

*that he has continued his class with **anti-Semitic language and readings the class is required to do.***"

This is obviously false, again showing that Witness 1 is unreliable. This is easily checked— my readings are available. See attachment E, the list of readings.

Another student, **Witness 2**, complained that **Respondent made homophobic statements**. In summarizing the incident, the student stated the following: "[Respondent] was explaining in our G406 class that he has a student who met his future wife in [his] class during a previous semester. [Respondent] looked around the room and said something to the effect of 'Hm there are only two potential couples in this class, based on how you are all sitting' and then referred to me (a female) and the male student sitting next to me as one potential couple, and then to another male/female set of people sitting elsewhere. There are several rows of all males and all females, and [Respondent's] comment implied that those people could not be a couple. **I would dismiss this as simply an out of touch comment, however he has a documented history of homophobic and sexist comments.**

So it was fine, if out-of-touch, as a comment in itself, but unacceptable because of my political and religious beliefs?

*In fact, in 2003 the university had to address a blatantly and horrifyingly homophobic blog post he made.<sup>7</sup> Given these factors, I don't think that he is fostering a comfortable environment for students that identify as LGBTQ+, and I think that IU should strive to take action about even small comments like this that could be deeply hurtful to this group of people."*

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<sup>7</sup> In his 2003 blog post, Respondent stated: "A second reason not to hire homosexuals as teachers is that it puts the fox into the chicken coop. Male homosexuals, at least, like boys and are generally promiscuous. They should not be given the opportunity to satisfy their desires. Somewhat related is a reason not to hire a homosexual as a doctor even though you would hire him as a lawyer: you don't mind if your lawyer has a venereal disease such as HIV or hepatitis, but you do mind if your doctor is in a class of people among whom such diseases are common." It should be noted that Respondent's online statements have been an issue for KSB dating back to at least this time, when his weblog appeared on an IU server and he posted this statement. In response to this 2003 post, Respondent was asked to remove his weblog from the university's web pages by the then Dean Dalton.

Dean Dalton indeed asked me to remove the blog. In fact, he threatened me. He said that if I didn't remove it, he'd cut off my email. I knew that he didn't have the authority to cut off my email— that's a University matter, not a School matter— and that it was also unlawful for him to tell me to take down my blog. I also knew he was under heavy pressure from gay staff members, however, so I told him that as a favor to him to relieve the pressure on him, I would *voluntarily* move my blog to the free Geocities site temporarily, where it would be just as visible to the public as on the Indiana University site for student and faculty blogs that I had been using. I said we could postpone fighting about it until he had checked with University lawyers, and if they told him he had the right to make me move off, we could fight then. A few days later, he contacted me and said he'd checked with the lawyers and I could move my blog back onto the University site.

The full story of the 2003 blog controversy is interesting, but too long to recount here. Perhaps I will write it up and publish it.

Repetition. I commented on this already, I think.

A third student, **Witness 3**, reported the same incident in class, as follows: “Respondent was telling a story about two of his former students who were getting married. He was saying that they sat next to each other in class, and wondered out loud if there were any potential couples in the room. He then scanned the room, and most people were sitting next to someone of the same gender. I was sitting next to a male, and he pointed to us and said that we would be the only potential couple in the room. This comment made [me] extremely uncomfortable as it put me on the spot and implied I was romantically interested in someone I was not, and heavily implied that there could not be any same-sex couples. As a bisexual woman, I found it to be offensive and exclusionary of other people in the room who might not be heterosexual. This professor has a history of making other offens[ive] comments and this is just one of them that personally impacted me.”<sup>8</sup>

Question: Are there 13 different witnesses in this class, or is this arranged, to protect anonymity or for other reasons, so that someone labelled as “Witness 3” here might be the same person as “Witness 7” later?

In addition, this student shared her belief that Respondent’s “biases carry over into the classroom.” She, like other students in the class, indicated that Respondent’s personal website was linked to his home page in Canvas (IU’s learning management system), and **that students had to go to his personal website to access certain information for class.**

Students did not have to go to my personal website; they had to go to my personal server account. The difference is important. Because Indiana University was slow to go online with class materials, and because they had raised a fuss over my use of the weblog service the university offered to students and faculty, I bought my own server account with the Dreamhosters corporation and set up <http://www.rasmusen.org>. I used this for my personal materials, and, at a charge to me but not to the university, for my class materials, providing this convenience to students well before the University started its own—to my mind inferior—teaching materials software. Thus, the students would go to <http://rasmusen.org/g406/g406.htm> to see the class homepage, and that homepage linked to other class materials posted on the web. They never had to go to my personal homepage, <http://rasmusen.org/index.htm>, or to my blog, which were entirely separate. Indeed, there was no reason for them to know I had a blog (which in some years I did and in some I didn’t) except for the university administrators telling them about it, or unless they googled me out of curiosity to find out more about their professor. See Attachment D, my syllabus for Fall 2019, which shows links.

*She stated that she knew about the Respondent’s biases/positions before the Fall 2019 Twitter*

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<sup>8</sup> As an example of this history, in 2009, Respondent posted the following on his blog, titled **Encouragement of Sodomy at Bloomington High School North** – “From WFHB: ‘Bloomington High School North Counselor Greg Chaffin explains how to create support networks for LGBTQI students within the school environment as well as in the larger community and stresses the importance of such social and familial networks for personal success, health and well-being.’ Home schooling for high school is looking better all the time.” (Feb. 6, 2009.)



incident “blew up” and even before taking his course. She explained **that before the Twitter incident “blew up” she filed her online report** because she had witnessed several comments in class which she described as xenophobic and racist. In addition to the marriage comments incident, she described another incident (stating it was the “worst example”) when Respondent was talking about the Japanese class system in World War II. She stated that Respondent said that in Japan everyone looks similar, and so no one can tell the difference between classes. She recalled he then pointed to an African American student in the class, and commented that it was not easy to hide one’s class in the U.S.<sup>9</sup>

Did she really file her report before the Dean and Provost asked her? I’m skeptical. How was it that I never heard about it until after they’d asked for student informants? Recall that they said there had never been complaints about me before the Administration’s call for them in late November 2019.

She noted that for their class, students had to go to Respondent’s personal website to link to the assigned class textbook, which Respondent authored. She indicated that there were numerous examples of bias in Respondent’s textbook including in the pictures used throughout. She, and other students, pointed out his choice of pictures which they believed were unrelated to the course material. The examples she provided were pictures of Hitler and a 1787 medallion designed by Josiah Wedgwood for the British anti-slavery campaign entitled “Am I Not a Man and a Brother?”

Those examples were intimately linked to the course material. She should have read the text and listened in class as well as looked at the pictures. They were two of the four illustrations of the philosophic difficulty of deciding whose well-being is to qualify when the government tries to maximize well-being. See Attachment C, on the Hitler photo.

A fourth student, **Witness 4**, also submitted an online complaint, reporting concerns with the marriage comments as described above, as well as two other incidents. She wrote that a few weeks prior to the marriage comments, Respondent “was talking about Japanese lawyers and said ‘or \_ awyers’ perpetuating a gross stereotype,” indicating Respondent used a stereotypical mispronunciation. She also reported that Respondent “called out a classmate saying ‘you have an Indian name’.”

I can’t even tell what gross Japanese stereotype she thinks I’m perpetuating. She must have imagined something. I think she’s imagining I was making fun of people who can’t pronounce “l”, or maybe “r”, but it’s hard to tell. Why I’d do that I can’t imagine. My wife is of Korean extraction, but I don’t think that has made me anti-Japanese. I am a world authority on the court system of Japan, having published a Chicago University Press book and many articles on Japan, so it is hard to say I’m anti-Japanese.

I’m not sure why it’s wrong to note that a student has an Indian name. Does

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<sup>9</sup> Respondent’s thoughts on Blacks (as well as Hispanics and women) being accepted into universities (yet purportedly, according to Respondent, being less competent than other students) can be found in Respondent’s May 4, 2010 blogpost: “So, Harvard, like virtually all famous universities, buys off females and minorities with ‘a commitment to diversity’ — in other words, quotas. By boosting less competent women, Blacks and Hispanics at the expense of the more marginal men, whites, and Asians, Harvard preserves most of its freedom to continue to discriminate ruthlessly on IQ.” (Quoting Steve Sailer.)

Witness 4 think it's embarrassing for someone to have an Indian name? I don't. I regard it as quite normal. I don't recall the incident, perhaps because it's so innocuous, but I was probably discussing something related to the culture or history of India. My course is somewhat multicultural, so foreign matters do come up. It might have been a story from the *Mahabharata* that I sometimes tell to illustrate the importance of students focusing on their objective (Drona teaching the five brothers to shoot arrows at a bird). I like to make students proud of their ethnic heritages.

*In addition to the reports submitted above, a number of students met with the Dean and/or this office following the Twitter incident to share concerns and provide information. **Some of these students reported that they heard negative things about Respondent from other students prior to taking this class.** For most students, the class was a required course for their degree. Several of these students*

Don't students always hear some negative things about professors from other students— and some positive things too? It's ridiculous to include this kind of vague double anonymous hearsay innuendo in a report like this, and the report authors, whom I think are attorneys, should be ashamed of themselves. Indeed, might this be reportable to the State Bar Association?

***noted that Respondent generally only uses the pronoun "he" when speaking in class.***

Has gender-neutered writing become compulsory at Indiana University? Nobody told me. When did the faculty vote on that? If they did, how can something like that be reconciled with academic freedom? See also this report's claim below that "he" is a "term of violence".

*Multiple students specifically brought up Respondent's heterosexual-only marriage discussion (see reports above)*

What "heterosexual-only marriage discussion"? The students didn't report a "discussion", they reported a quip, about student romance.

*and expressed their dislike and discomfort with this incident. Several shared that in class, **they perceived that Respondent indicated he could readily identify people's country of origin, that he commented on people's races,** and, providing the same example as Witness 4, that he once mocked a stereotypical Asian pronunciation of the word "lawyer."*

I should hope anyone with a college education and 30 years teaching experience could guess quite a few people's country of origin from their surname.

At IU, there is an atmosphere of embarrassment and fear when anything concerning race comes up, because people are scared of investigations like the present one.

I wouldn't trust those "multiple students" to have independent memories of the ridiculously implausible "lawyer" incident, and that they report this casts doubt on everything else they claimed to have heard. My guess is that the more left-wing students in the class got together and the misperception of one of them was turned into a false group memory, as easily happens. The first might have said, "Did you hear how he said 'lawyer' to Harry?" "Oh, I didn't quite get it, but now

that you've said, it, yeah, I guess maybe he did...". Or, they could simply be lying. It does happen. See, for example, the recent Title IX case at the University of Illinois where a student invented a story that an instructor had offered to trade an A+ for sex. The instructor resigned in exchange for the University's promise to drop the investigation; the University continued it but concluded that the student (who had multiple run-ins with the police and was contradicted by other students) was not credible; the instructor sued for \$7.9 million for breach and the University just recently lost its motion to dismiss. *Petry v. Illinois*, Illinois Court of Claims, No. 20-CC-2964 (Jan. 19, 2021). See the summary with links at the *TaxProf* blog and the professor's press release with his Complaint, the January 19 ruling in his favor, and other documents at [https://taxprof.typepad.com/taxprof\\_blog/2021/01/court-rejects-university-of-illinois-motion-to-dismiss-former-econ-profs-79-million-lawsuit.html](https://taxprof.typepad.com/taxprof_blog/2021/01/court-rejects-university-of-illinois-motion-to-dismiss-former-econ-profs-79-million-lawsuit.html) and <https://taxprof.typepad.com/files/petry-1.pdf>.

*Students also reported that Respondent would frequently call on a fellow student in the class, a Chinese student, specifically to answer questions about China, which many students found to be insensitive. Specific information from each student follows.*

It's natural to call on students to answer questions associated with their backgrounds. The position of the foreign student in question is the position of any reasonable person:

“he was glad to be called on to answer these types of questions, and would have been offended if Respondent had **not** asked him about his native country.”

Asking questions about a student's home country, state, or city is a way to encourage students to speak, to make them feel they have some special knowledge they can share with the class. It's particularly useful with shy students who might feel timid about answering a question that is directly about the class material but are more relaxed about sharing information on something they obviously know more about than even the brightest American student in the class. In the business school this is especially natural, since MBA students have come with work experience and part of the ostensible reason for requiring them to work for a few years is so they can share their experiences in a particular industry with their classmates.

It is worth mentioning that I have been teaching economics for 38 years, since 1982, so I have considerable expertise. In fact, I am very well known for my book on game theory, *Games and Information: An Introduction to Game Theory*. Although I was only an unknown, 31-year-old assistant professor when it came out, it was an immediate success, and the next year I had an offer to come be a visiting professor at Yale based on how well they thought I could teach (Nobel laureate Bengt Holmstrom phoned me to ask). It went through 4 editions, and was translated into Simplified Characters Chinese, Complex Characters Chinese Japanese, Italian, French, and Spanish. So people think I know how to

communicate to students. Whether this is good pedagogy is a question of fact, to be sure, but I think I would qualify in court as an “expert witness” for my opinion on that, and the investigators have no such expertise.

It is strange that “many students” (how many?) “found this insensitive”. How could they possibly think that? I suspect they have been taught at Indiana University that it is taboo to mention anyone’s ethnicity or country of origin, and trained to think that there is something embarrassing or shameful about being foreign or non-white. There is not, of course, but that students think there is because IU seems to regard those things as embarrassing handicaps.

One thing I’ve noticed over the years is that foreign students seem to like my classes more than American students do, on average. They are more likely to keep in touch after the semester is over, for example, and they complain less about assignments and grades. It is also notable that when I invited the class over to my home for an evening party, which I do in about half of the time I teach a small enough class, it is the foreign students who come, and much less often the Americans.

*One student, **Witness 5**, noted that **because of his ethnic background, he might be subjected to bias by Respondent**;*

Whatever can that mean? He thought just because of his ethnic background he might be subjected to bias? Does he think that about all his professors? If so, it’s not relevant to my case. Or was this a case of “leading the witness”, where the investigator said, “Do you think that because of your ethnic background, you might possibly be subject to bias by Professor Rasmusen?” Without a transcript or a recording, we have no way of knowing.

*however he also indicated that he did not feel that there was any clear evidence of bias.*

Did he say he felt there was even a shred of evidence? If so, what is it?

***This student didn’t feel that Respondent’s presentation of what the student referred to as a more conservative viewpoint was necessarily a bad thing.** This student, like the others interviewed, commented that the professor only used the pronoun “he” to refer to any gender when he was speaking in class.*

So, perhaps **Witness 5** was actually supportive of me.

*A female student in the class, **Witness 6**, who indicated she had immigrated to the U.S. as a child, shared that she had heard prior to taking the class that Respondent’s website had “weird, offensive things on it.” However, she explained that she had to take the class, so she had decided to just not look at his postings on the website at that point. **Prior to the November 2019 Twitter incident, this student did not believe that “anything that happened during class was strange or offensive.”** She noted that she attended office hours twice with Respondent and indicated that **she did not feel as though he treated her differently from other students** because of her immigration status.*

Thus, **Witness 6** testifies to my unbiasedness, the lack of a hostile atmosphere, and the absence of any ill feeling towards women on my part.

*She also stated that during class she heard some comments from Respondent that made her think,*

**“Wow! I can’t believe he just said that!”**, but she also stated that she thinks every professor says some things like that, and she did not consider Respondent’s comments to be anything more than that. She explained that **“as a Black student at a PWI [Primarily White Institution], I’ve had worse happen**, and have expected this at some point. I’ve experienced worse, so I’ve just ignored it and got through the class. I didn’t read the website, and it was towards the end, so I just wanted to get through it.

If she has had worse experiences than with Professor Rasmusen, who this report says creates a hostile atmosphere, is the University investigating these “worse experiences” or does it consider them unimportant?

*For some of the other students, it was the first time they have experienced this direct discrimination. Based on [Respondent’s] views, it wasn’t a surprise.”*

Whoa! What “direct discrimination”? The paragraph went along saying I treated her equally and she felt the class was fine, and then suddenly the phrase “direct discrimination” comes up. The Report shamelessly inserts this mention as if it had been established. It had not, not in any way.

*Witness 6 then shared that she believed that she was the first student in the class to see Respondent’s November 2019 Twitter comments. She shared a screenshot of these Twitter comments on the group text message that students in the class shared. Witness 6 explained that, at this point, in light of Respondent’s comments on Twitter, **she found herself reevaluating her past interactions with Respondent**. Looking back to when she went to him for help, she found herself wondering, “did he think, ‘oh, here’s a student who needs help,’ or did he think, ‘Well, of course she needs help.’” In explaining this, she indicated that she meant because of her race.<sup>10</sup>*

That is, she felt fine until she found out I was a conservative, and then she decided that though my behavior was entirely correct, I must have some bad motivation inside that I wasn’t revealing. This is only because someone has taught her that conservatives hate blacks. It is much like someone learning that a person he’s worked with was Jewish and then deciding the person must have hidden selfish motivations for being so helpful.

*With regard to Respondent’s blog, another student, **Witness 7**, explained that he and other students learned about Respondent’s blog directly from Respondent himself through the class. The student explained that Respondent was very open about his blog, and **linked directly to the blog on his course syllabus**.*

Attachment D is the syllabus. There’s no link to my blog on the syllabus, as you can see by looking at it. The investigators could easily have checked, but

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<sup>10</sup> Respondent posted the following related to affirmative action and race in his July 6, 2009 blogpost, entitled **Marginal White Males and Affirmative Action Opposition**: *“Then, however, colorblind reality intruded. Mrs. Obama apparently didn’t pass the rather easy Illinois bar exam on her first opportunity. Soon, she gave up her law license and took a less cognitively taxing job working for Mayor Daley as a political fixer. Think about it from Mrs. Obama’s point of view. She’d been scraping by on affirmative action for years, but quotas mostly evaporate when it comes to making partner. The law firm’s partners can put up with employing subpar Blacks as associates for a few years to stay out of trouble with the government, but they take the partnership hurdle seriously. The New York Times said: ‘But Black lawyers, the study found, are about one-fourth as likely to make partner as white lawyers from the same entering class of associates.’ So, why kill herself in the likely hopeless task of making partner when she can go into Chicago politics, where she’ll be smarter than the average ward heeler?”* (quoting Steve Sailer).



they didn't; they just took what hostile students said as true without checking. This mistake discredits Witness 7, and perhaps the investigators.

Further, did I even have a blog in Fall 2019? I had one going May-to-September 2020, to be sure, and at various times over the past 20 years; famously, in 2003. But my previous blog software for some reason stopped working, and I can't get access to those posts, and I really do wonder if I was writing any blog posts during August-December 2019. I was active on Twitter, but Twitter is a blog substitute, not a blog.

*This student stated that he sometimes read Respondent's blog, so he "knew [Respondent] had some crazy ideas." In regard to class, he recalled one Black student that Respondent would say "oh, you are Black" and use him as an example in what Respondent was discussing. He also described that when Respondent would talk about Japan, he would refer to Witness 8 (below) in the discussion, and Witness 8 would then note that he was Chinese, rather than Japanese.*

Recall that I have written [a book and eleven articles on Japan](#), and edited a book of essays mostly by Japanese authors (a Kyushu University Press festschrift for Professor Moriki Hosoe, who translated my game theory book into Japanese twenty years before). I know the difference between Chinese and Japanese names, and I knew that Harry Yan, the sole East Asia student in the class and a frequent participant in class discussion, was not Japanese. Witness 7 is not credible.

*Witness 7 also stated that Respondent would also mention what he perceived to be an individual's race even when it "wasn't at all relevant to the story" – mentioning an example of a story Respondent told of a car accident, and that Respondent pointed out, for no apparent reason, that the man in the story was Hispanic.*

The story was about when I was driving on the Santa Monica Freeway with my wife and two babies one night and a car zoomed across three or four lanes to try not to miss its exit and slammed into our car. No one was hurt enough to need medical treatment, but the cars were severely damaged. The passenger door of the other car hung loose, barely attached. The other driver was a young Hispanic man with a scared-looking young woman in the other seat. His liability was obvious to the police when they arrived. Also, he not only had no insurance for his car, as the law requires, but no driver's license either.

The point of the story was what happened later. I received a letter from an LA law firm saying that he was going to sue me for damages. I ignored the letter, and they didn't sue me. The lesson is that it's cheap to hire a law firm to write a letter, even if your case is extremely weak and you would not actually pay even the filing fee, and some people get scared by letters from lawyers and pay money even though they're perfectly safe from liability.

Why shouldn't I mention that the driver was Hispanic, and a man, and that he was driving with a young woman, and that the car door was almost ripped off? Those things add color to the story. It should not be taboo to mention ethnicity.

**Witness 7** stated that class got "even more awkward than it already was" after the November

2019 Twitter comments became public. Witness 7 stated that the Twitter incident was a topic that “dominated class afterwards, it was very distracting.” Witness 7 also stated that “**it was apparent that [Respondent] held grudges against the provost and vice president. He was kind of personally attacking them in class. He felt slighted and wronged, and made his views apparent.**”

I don’t know that I’d call it a grudge to feel unhappy when the CEO of your enterprise defames you to thousands of people and calls you names— racist, sexist, homophobic, bigoted, stunningly ignorant, and more. See <http://www.rasmusen.org/special/2019kerfuffle/provost1.htm>. I certainly did not call Provost Robel names like that in class. It would have been improper.

I do have the feeling that the Provost came a bit unhinged and has been holding in a grudge against me for some time. Perhaps she was more annoyed than I thought with my comments as one of the Kelley School’s members on the Bloomington Faculty Council in the past few years. I even wonder if she took a hand in personally drafting this report.

I try to maintain respect for authority, but it’s difficult when a professor has to explain why the Administration wants to videotape his class and impose blind grading in the middle of the semester.

I don’t know what Witness 7 meant by saying I had a grudge against the “vice president”. Does he mean the Dean? I don’t think he would have meant Provost Robel. I think she might actually be a University Vice President, but no student would know that. Or was that title added by the investigators?

*This student also stated that, “I never felt personally attacked [by Respondent], but I felt uncomfortable for other people. I never felt scared to go to class or victimized. Mostly I just hated the class. I was done.”*

Again, a student who wasn’t himself offended, but felt uncomfortable for other people he thought *might* be offended. It would be nice if some of these students who were so concerned actually talked to the people they were concerned about. Do these concerned students ever talk to international students, or do they just pity them from a distance? That is a serious question. Foreign students who are not outgoing often feel isolated and would like to have friendship with some of the American students who purport to care about them.

*When asked about the concern expressed by other student witnesses about being called on to answer questions about China, **Witness 8**, the student who is from China, told investigators that he was glad to be called on to answer these types of questions, and would have been offended if Respondent had not asked him about his native country. **This student was complimentary about Respondent as his instructor and found him very helpful during his office hours.** He told Investigators that he believed that the **students who complained about Respondent never attempted to attend his office hours to get extra help. This student learned that “the American students found that there were cultural conflicts,” but he did not consider himself as part of the affected group.** He stated that he “**chose to ignore [the Twitter situation], because as a Chinese man, this isn’t how we handle things.**”*

This must be the one Chinese student in the class. He wasn’t bothered. We have kept in touch. He lets me know how his applications to graduate school are going and asks me economics questions now and then. I see I have nine different

substantive emails from him in 2020-2021. (Note: none of them were about this investigation.)

Another student, **Witness 9**, stated that “for the most part **there was a very clear division between [Respondent’s] personality on Twitter, and the subject matter of class, and he was good about that division.**” Witness 9 then stated, referencing the 2019 Twitter incident, that “up until that point, there weren’t any issues in class, but **after that it was hard for [Respondent] to have any control over the class.**”

Yes, after the Dean and Provost publicly condemned me in remarkably abusive terms and started videotaping me to try to catch me making some mistake, I felt awkward in class, especially after the Dean started sitting in to check on whether I was saying anything subversive. I knew the students would also be afraid that if they said anything the Dean and Provost might not like, or even said anything supportive about me, some other student might turn them in. That cramps class discussions.

Witness 9 told OIE that he didn’t support “99% of things on [Respondent’s] twitter.” Witness 9 indicated that Respondent did make comments in the classroom based on individual protected characteristics, but he could not recall specific examples. He stated that **he “never felt uncomfortable to the point he couldn’t participate, but also shared being aware of others who were upset and he felt they were justified to be upset.** He stated that it was interesting to “go back and read up on what [Respondent] believed. **I wasn’t angry or anything**, since that was just how he felt about certain things.”

Again we have someone who “shares being aware of others who were upset”. How was he aware that they were upset? Were they woke American students upset because they felt maybe foreign students were upset, even though they weren’t upset for themselves? With such vague investigation reports, we can’t tell anything.

**Witness 10**, another student in the class, indicated that **he was not comfortable in the class, but not to the point that he couldn’t contribute.**

Is comfort the measure of a successful class? In that case, the university would be most successful if it just let students stay in their warm beds and sleep in. My calling is not to produce “comfort” in students, but to increase their knowledge. Nobody feels comfortable in Calc II, but they do learn a lot.

He explained that he considered the fact that Respondent did not consider that some people could be in same-sex relationships, “archaic and inappropriate”.<sup>11</sup> Witness 10 shared that **when the 2019**

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<sup>11</sup> As an example of Respondent’s beliefs on same-sex relationships, the following 2003 blogpost from him, reposted November 22, 2008, appeared: “How about homosexual males (I don’t have much idea about lesbians.) I think they are attracted to people under age 18 more than heterosexual males are. I seem to remember Robert Heinlein saying that age at which a woman’s beauty peaks is 22. Of course, the later Heinlein was odd about sex, but 22 sounds reasonable. Men are attracted to a young but physically mature woman. But what is the ideal for homosexual men? For some it is certainly the mature, broad-shouldered, hairy 25-year-old. But my impression is that the 16-year-old beardless boy would attract more votes. And the 16- year-old beardless boy is not so different from an 8-year-old beardless boy as the 16- year-old girl is from the 8-year-old girl, so we should expect homosexuals to be far more tempted by 8- year-olds than heterosexuals are.”

**Twitter incident broke, that he felt “elation,” and stated that he was “glad someone is calling out this older white male who thinks he knows something the rest of us don’t.**

I should hope I do know something the students in the class don’t know. Otherwise, my Yale BA/MA, my MIT PhD, and my 50+ publications and several books were rather a waste.

Also note that the student’s elation at the criticism of me by the media and the Administration shows that he has an axe to grind against me. This discredits him as a witness.

**He’s the epitome of Trumpism;**

This student clearly doesn’t like the 50% of people who voted for Trump and considers them detestable. Keep that in mind in weighing any statements that say, “Several students...”, since they likely include Witness 10 and others like him who are more partisan than fair-minded.

**he’s professing things that are incorrect but speaking from a point of power, using his platform to sound smarter, to share these factually incorrect ideas.”**

If he said what some of these supposedly incorrect “things” and “ideas” were, we’d be in a better position to evaluate them.

**This student stated that, “after all this happened, I was intentionally disrespectful because I think he’s a horrible human being. I would be on my phone, scoff at things he was saying.”**

Is this a witness worth listening to?

**Three students, including Witness 2 and Witness 4 who submitted the online reports noted above, along with Witness 11, shared the following examples of what they referred to as uncomfortable situations created by Respondent in the classroom. In one example, they described that the Respondent pointed to students who appeared to be from outside the U.S., and stated that the international students should prepare a YouTube video to demonstrate/prove to recruiters that they can speak English.**

Yes, that’s a very good idea for anybody from a foreign country, and particularly from East Asia. Otherwise, recruiters may decide just to not take a chance on your English and waste time interviewing you, even if your English is perfect. They will be afraid to ask you for something like a video because they fear people like Witnesses 2, 4, and 11 will castigate them; instead, they will simply not hire Asians. Indeed, this is a huge concern even for my own Business Economics department in hiring faculty and admitting graduate students. All of our current graduate students, I think, are Chinese, but our standard practice is to telephone them in China before they are admitted to see if they can really speak English. When we recruit, we are very concerned— too concerned, I think — about how our students will respond to a new professor if he is not American.

**They described that when Respondent seemed to realize that his comment appeared to single out international students, he then expanded his comment to say that all students should post YouTube videos to demonstrate how articulate they are.**

I remember that. It was not that I thought it was wrong to advise foreign

students, but that actually it's not a bad idea for Americans either, though not as important. Indeed, I was recently advising my son-in-law to do that, because he is applying to PhD programs and he is an exceptionally talented college debater whose chances will improve if he can demonstrate that ability to admissions committees.

*The students noted that they used the word “appeared” in this anecdote, because they observed that Respondent would sometimes call on students whom Respondent deemed to be Asian in appearance but who were actually from the U.S. The students felt that Respondent often improperly singled students out because of what Respondent deemed to be their race, ethnicity or nationality to make his point, even when the students felt that using this type of information was irrelevant or unimportant to the point Respondent was attempting to make. They also felt Respondent had done this in ways that called on someone inappropriately in class (e.g., **assuming that a Chinese student would be able to speak about Japanese historical information**).*

A Chinese student would know more about Japanese history than the zero we'd expect of American students. Indeed, the Chinese student probably knows more about European history than American students do.

*They indicated that Respondent tended to characterize people by stereotypes; one example they gave was **his reference to Hispanic drivers**.*

Look back to the story of the traffic accident and the uninsured driver with no driver's license who had a lawyer send a letter threatening to sue me when he was indisputably the cause of the accident by swerving across three lanes of the highway. The story was about one driver, who happened to be Hispanic, not “Hispanic drivers”. I didn't even know there *was* a stereotype about Hispanic drivers—is there really one? What is it?

*The three students also stated that Respondent mocked people from Asia who could not easily pronounce the letter L. They shared the anecdote already noted above, when Respondent pronounced “lawyers” in what seemed like a mocking Japanese accent.*

See above for my discussion of how ridiculous this claim is.

*They also commented on Respondent's choice of what they described as “random quotes” (e.g., particularly anti- Semitic quotes from “The Merchant of Venice”).<sup>12 12</sup>*

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<sup>12</sup> An example from Respondent's August 26, 2003 blogpost, and reposted November 22, 2008 follows. This post refers not only to his apparent bias against homosexuals in teaching positions, but also to **an apparent bias against teachers who practice religions that he does not believe in: “HOMOSEXUALS AND HINDUS AS TEACHERS: Professor Volokh posts the good question of why Christians object to homosexuals as schoolteachers when they do not object to Hindus, even though idolatry is the greater sin. This isn't too hard to answer, though. Some points: 1. Many Christians do object to Hindus as schoolteachers, in the same way as they object to atheists, Mormons, and so forth as teachers. That is why there are Roman Catholic and evangelical private schools....”**

Indeed, my children have gone to a Christian school, which requires its teachers to be Christian, and I have paid a considerable amount in tuition for that. I think that is a better position, ethically, than that of people who think public schools, paid for by all taxpayers, but should prohibit teachers from teaching anything Christian— or, indeed, anything Hindu or Moslem.



Our students get a pretty good business education, but they don't get a liberal education. They probably never encounter a single line of poetry in college, or a Shakespeare play. I try to use relevant scraps of humanism to give them at least a taste of what college education once meant— Latin phrases, quotations, Shakespeare excerpts, Bible passages, paragraphs from Chinese classics. One example is an excerpt from *The Merchant of Venice* in which Shylock, a Jewish banker disliked by the Christian Venetians talks about how it doesn't matter why he prefers a pound of flesh to a pile of money—that's just his preference. This is a key point in economic analysis; we take tastes as given rather than trying to evaluate whether what someone wants to buy is really something a tasteful person like ourselves would buy. I also teach the students the Latin saying, "De gustibus non est disputandum" (About tastes there is no disputing"), which is such an important idea in economics that it was the title of a classic article by Nobel laureates George Stigler and Gary Becker that has been cited 5,854 times. See "De Gustibus Non Est Disputandum," George Stigler & Gary Becker, *The American Economic Review*, 67: 76-90 (March 1977), <https://www.jstor.org/stable/1807222>.

*These three students indicated that other students chose to drop the course, and **assumed** this was because students felt intimidated or uncomfortable, but they did not have any specific information about why these students opted to drop.*

If they just assumed it, why shouldn't we assume the opposite, particularly as these students are hostile to me and hope to get me into trouble. If those students did drop because they were intimidated or uncomfortable, wouldn't they have replied to the investigators to say so? That they did not answer indicates they had no strong feelings. I received an October 28, 2019 letter telling me that one of the students who dropped (who was black) was in the hospital. I can supply that pdf if desired.

*They also noted that some of Respondent's course materials (e.g., his powerpoint slide decks) were not uploaded to Canvas, and that this forced students to go to the Respondent's private website to retrieve these materials. They indicated that this was Respondent's effort to encourage students to access his blogposts.*

How would going to my website encourage students to access my blogposts? Why would I want them to, anyway? And students did not have to go my website. They clicked on a link in Canvas, and it took them to the syllabus. They then could click on links to each chapter and get it. They could click on the website directly— something like <http://rasmusen.org/g406/slides>— and get a list of the slides, as I showed them how to do in class and did every class session when I downloaded the slides I was going to use that day.

*These students (and others who spoke with the Dean) pointed out that **the professor's articles and theoretical presentations presented in class were not balanced**. In most cases, they felt that the professor **presented only one side of an argument** and only the side that agreed with his own viewpoint.*

This is hard to evaluate without examples. It is, of course, a perennial problem in teaching to be fair to all sides of a question when the instructor thinks one side is correct. I hope I do a good job on that. It is as hard in economics as in biology, where the professor must be sensitive to students who do not believe in evolution. I was quite proud to see on *RateMyProfessor* that one year a student complained about Professor Rasmusen being a *liberal* (see the quote later in this reply).

*Finally, these students raised their concern that Respondent was going to release the video recording of the class session that followed the late 2019 Twitter incident. **They were concerned about their safety** (see section F below). **They worried about Respondent’s supporters viewing the video, which contained some students’ images, and what risks they faced** because they could be identified by Respondent’.*

*They were concerned about what Respondent’s supporters might do to students who disagreed with Respondent.*

This is hard to believe. What supporters did they think I had, especially when the Dean and Provost showed they thought anybody who supported me was a disgrace to Indiana University? Did they get threats? Did they know actual Rasmusen supporters, or are these people, like the offended foreign student, merely hypothetical?



I had real people come to my house at 1am and drip fake blood on my doorstep. <https://www.idsnews.com/article/2019/12/schooner-creek-farm-eric-rasmusen-others-hit-by-overnight-vandalism>.

The University feared enough for my safety that it posted a policeman in the hallway outside my office. Did these students face anything like that? And how are “Respondent’s supporters” supposed to figure out who they were from looking at a video of them in class? Face recognition software? What kind of supporters would care, anyway, about someone being a student in a class I was teaching? These students think too highly of their own importance in the scheme of things. The world does not revolve around them.

*Two other students, **Witnesses 12 and 13**, shared the following anecdotes from class. They described a time in class **when Respondent told a story about a doctor’s mistress**. The students used this example to demonstrate their perception that the only time that Respondent refers to women in class was in situations like this where a woman is deemed to be submissive to, and dependent upon, a man. And as mentioned by other students above, these two students stated that Respondent uses the pronoun “he” exclusively for describing individuals employed outside the home, but uses “she” when speaking about women who stay at home in more traditional “home maker” roles or who are mistresses. When asked if they knew the point of Respondent’s story in connection with the course, they shared it had something to do with the value of the woman who takes care of the home.*

That’s one of my best teaching stories. That the woman who hired me as an expert witness was the mistress of a doctor in Beverly Hills (and that she, at the time a sweet old lady, asked me, “Are you a Christian?” when she met me) adds color, but the story is really about real-life court procedure and about the choice of

discount rate in present discounted value calculations. One reasonable choice was the interest rate the woman would have received if the doctor had paid her wages and she had saved all the money—the bank account interest rate. Another reasonable choice was the interest rate the doctor would have received if he'd kept her wages but then paid them to her later—the return on the stock market. Using the second choice would more than double the damages the court would award her.

I don't see how the students could have missed that if they were listening. To say that the story was about mistresses is like saying a lesson on supply and demand curves with gasoline as the example was teaching about gasoline.

*These two students also described **Respondent's take on affirmative action that he discussed in the class.***

I don't recall that discussion. It's not part of the course—look at the syllabus in Attachment D— so if it came up, it must have been in response to a student question.

*The students explained their belief that the way Respondent characterized affirmative action could easily make the African American students in the class uncomfortable. They then mentioned **an African American student who dropped the course; they could not tell whether this was for health reasons or because the student was made uncomfortable by Respondent's views and comments on race.***

As I recall, the African-American student who dropped the course and I got along very well. I think he dropped all his classes fairly suddenly—I was worried about him, but wasn't given any details. I received an October 28, 2019 letter telling me that he was in the hospital. I can supply that pdf if desired. Suggesting that he dropped because he was made uncomfortable is pure invention, with zero evidence.

*They referenced that Respondent has assigned an article to the class about issues around poor class attendance among the Black population.<sup>13</sup>*

I can't remember that. What was the article? As the saying goes, "Link, or it's a lie." Footnote 13 isn't to the article, but to an irrelevant tweet of mine from 9 years previously, when these students were in grade school.

*In another example, these students recalled that the Respondent pointed to an African American student and said, "**This will be of special interest to you.**" He then referenced a study where white car salesmen took advantage of white buyers, and white car salesmen took still more advantage of Black buyers, but that Black car salesmen took most advantage of Black buyers.*

Yes, that is an example of scholarly research that has practical use for

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<sup>13</sup> On his April 10, 2010 blogpost, Respondent posted the following: "Present affirmative action proponents don't want too many whites, Asians, or foreigners, because given the limit on the total number of people that would displace others, but they certainly want some of them, given valued things they bring to the university. The same was true of the 1920's Ivy Leagues— even Princeton— which valued smart Jews, but didn't want too much of the class to be made up of smart Jews, Midwesterners, and so forth. They could have reduced the quotas to 0, legally, but they did want some of the Jews. On the other hand, the Southern colleges of the same era wanted zero Black students, not just a very small number of very good Black students."

students. One of my co-authors, Professor Ian Ayres of Yale Law School, hired students to play-act in an experiment where they followed scripts to do real car buying negotiations, and found those results. See Ian Ayres, *Pervasive Prejudice? Unconventional Evidence of Race and Gender Discrimination*, University of Chicago Press (2001). The practical use is that if you are a black person, especially if male, you will have to bargain harder, because it seems that car salesmen think they can fool you into paying a higher price. Moreover, you should not be lulled by the salesman himself being black, because they try to fool you just as much and succeed even more at it. While this is not a nice thing about car buying, car buying in general has a lot of sleaze connected with it, and it is better to confront the sleaze than to pretend it doesn't exist. The criticism is particularly bizarre because what I did was to cite peer-reviewed results from empirical research by a liberal scholar who was [a strong supporter of gay marriage as early as 2005](#) (though one, to be sure, who was willing to co-author a paper on contract law with me). Note that these students are saying that professors should not warn African-American students that they might encounter racism, or give them any practical tips about it.

*These two students, like others, confirmed that they had to go to the Respondent's personal website (which contained his blogposts) to gather course related materials.*

As I've said, that's simply false. It's like saying that they had to log on the Web, which contains white supremacist webpages, to gather course-related materials— because our university's Canvas software is hosted on the Web.

*Regarding the class and grading, they indicated that if a student wanted a good participation grade they felt they had to echo Respondent's "voice," explaining that they felt they had to express the same position and perspectives that Respondent supported.*

In fact, I told them they didn't, and never graded that way, though perhaps they are too used to liberal professors who punish students who disagree. Again note: "they felt"— there's no substance here, just the claimed feelings of hostile witnesses.

*This office also outreached to those students who dropped Respondent's course. However, none connected with this office to discuss any concerns.*

There were 17 students in my G406 class in Fall 2019. It seems the investigators tracked down 13 of them! No wonder it took a year to put together this report. Now we know why IU's administration costs so much.

#### D. Former Students

*Former students also contacted the university to report their experiences and concerns regarding Respondent's conduct during the time they took his courses.*

I emailed all the students in 2019-2020 sections of G406. **Lillyan Hamilton '20**, who is willing to go on record, wrote,

I was in Professor Rasmusen's Spring 2020 class. **I am a minority and in no way did I feel that he discriminated against myself or other minority students in that class or any other time I have been in contact with him.** I have read the allegations against Professor Rasmusen and **believe them to be either false or misconstrued.** Professor Rasmusen **acted professionally during class and encouraged all students to reach out if they had questions. I never heard him mock a student or do anything that would constitute the need for this type of reaction.** In response to his blog posts/ twitter posts — I.U. is a state institution and as such has the obligation to grant their employees freedom of political expression. **Many other professors share their political views, some even share them in class. One of my professors (who I will not name) said** **“F— Trump”** in a required class when asked about Trump's policies effect on the economy. These professors are not punished because the majority of the student body agrees with their views. **Professor Rasmusen's class is not a class where political opinion matters. Grading is rather objective when the answer is a number, graph, or specific couple of words. Political opinion should not matter in these cases.** I.U. has no evidence that is not based on hearsay or very subjective. In my opinion Professor Rasmusen has done nothing that prompts these proposed sanctions.

**Samuel Gasway '19**, who is willing to go on record, wrote,

I took Professor Rasmusen's class my senior year. I learned a lot from him. In fact, **I still reference his textbooks from time to time.**

I have read his past statements on race and sex as it related to intelligence and whatnot. I have also seen his some of his other statements. I certainly wouldn't agree with or even say myself some of the things that he said, but **I really doubt that A.** He was inferring that any one race/ethnicity or sex is inherently better than another or **B. That his stances on these topics, with some of which I disagree, impacted the way he thought about or taught his students in any way. In fact, his removal from his position would be a DIS-SERVICE to any Kelley School student, past or future. His class was one of the few thought provoking ones that I took at Kelley.** (If you're going to fire someone, fire [Brenda Bailey-Hughes](#). That woman is terrible at teaching an already useless class.)

He also said,



Mr. Rasmusen is an excellent instructor who knows his course material well and presents it in an engaging way. **He treated everyone fairly in the class that I took.**

Those are just two responses. The Administration was hostile to my attempt to contact former students. Dean Kesner somehow found out that I had contacted Samuel Gasway and wrote threateningly to him. I do not know if she wrote to every student I contacted. That may be why more did not reply. If my entire academic career is to be surveyed, however, that means an attempt should be made to reach out to all my former students, not just to are hostile to my beliefs.

*A former PhD student, **Witness 14**, was enrolled in Respondent's BUS-G751 Game Theory class in **Spring 2014**.*

That's 7 years ago. How am I supposed to remember what happened in individual class sessions? That's why there are statutes of limitations in fair legal systems—the evidence deteriorates. In any case, why are digressions in class discussion seven years ago be relevant to this Investigation?

***After reading an article about the recent posts by Respondent**, she contacted this office to share that it was “no secret” that Respondent made these types of comments in the classroom as well.*

More accurately, “After the Dean and Provost's requests for complaints against Respondent...”

*She recalled a time in the classroom when Respondent stated “Gays shouldn't be teaching.” She stated that she was stunned by this and asked him to repeat it, to which he then stated something like, “Muslims are bad people but gays are worse. Gays are more likely to corrupt youth.” She described that his comments had nothing to do with the class topic at hand, and that it seemed like the class was in shock.*

I can't remember, but I certainly wouldn't bring something like this up out of the blue. What was the topic of the class that day? Most likely, some student asked me about the 2003 controversy and I answered him, but I can't remember. Neither can Witness 14: she says “he then stated something like”. What did I actually say? Is she even sure it was Professor Rasmusen, as opposed to some other instructor in some other class?

*She recalled a number of international students in the class, **and being concerned for them**.*

It is quite common for “woke” students to have stereotypes about some group of other students in the class and be concerned about them based on their stereotypes. It is also common for students in the stereotyped group— Asian students in particular— to be absolutely and entirely unconcerned about the supposed insult.

*She recalls feeling “dumbfounded” and after leaving class that day, telling her friends about his behavior. She stated that one friend expressed their concern to her because **Respondent was on their dissertation committee**.*

If I was on their dissertation committees, then she should be able to say

something about whether I was a useful and proper committee member. Did she have any complaints whatsoever about my performance as a teacher or a dissertation committee member, or did she just not like my political views?

*She also recalled a friend who took another of Respondent's classes, and whom she recalled shared with her that Respondent stated to that class that Asian students need to pick American names to make it easier on him and that they need to assimilate better.*

If I have told Asian students before, and European students too, that they should choose an English name if they wish to get jobs in English-speaking countries, because people whose native language is English will find them easier to pronounce and remember. This is useful advice, even if you think that English speakers should be just as good with foreign names as with familiar ones. Of course, if they are looking for jobs in Spanish-speaking countries, they should adopt Spanish names.

This has nothing to do with assimilation. It is more similar to my advice to someone with a name like "John Smith" that he start calling himself "John T. Smith". My own great-great grandfather was named Andrew Anderson. This was so common among Norwegian immigrants that he started calling himself "Andrew H. Anderson". The "H" didn't stand for anything— it was just that he thought he needed a middle initial. Similarly, my other Norwegian great-great-grandfather was called "Baar Sorvaag" in Norway, but when he came to America he adopted the name "Barney Rasmuson". His sons decided the spelling of even that was too awkward, so they changed their surnames to "Rasmusen". I tell students these stories, to illustrate that adopting a useful name is nothing new.

*Finally, she explained that the Respondent's Game Theory class was a PhD requirement for Business Economics majors, and that she and some of her classmates had no choice in taking Respondent's class.*

*Another former student, **Witness 15**, who had been enrolled in Respondent's G406 class in an earlier semester, in Spring 2019, described her belief that Respondent's practice of cold calling on students was gender based. She stated that she had begun to track Respondent's frequency and observed that **he called on women more often***

I don't know whether that's true or not, but I know that if I called on women *less* often, the complaint would be that I didn't call on them as often as I called on men. I don't have quotas for how often I call on males versus females; I try to distribute my cold-calls with a very careful eye as to who should be able to answer which question (to avoid embarrassing them), how shy someone is, how often they have already been talking in that class session, and so forth. The teacher, like the preacher, should consider his role to be "To comfort the afflicted, and to afflict the comfortable." I'm afraid I consider the investigators here to fall into the category of the comfortable.

*and often used dismissive comments when women didn't answer correctly. She did not observe this same conduct when men didn't answer correctly.*

I doubt that very much. I am very careful when commenting on student answers, because I want to encourage shy and weaker students, and in, fact, students generally, since even the strong and bold students are reluctant to talk in the first weeks.

*She noted that composition of the course was 39% women. She also stated that Respondent would discuss uncomfortable topics, such as women's reproductive health and the use of birth control, in the context of economic frameworks. She also described that Respondent singled out students based on their background or race – for example she explained that **when Respondent spoke about affirmative action in the class, he would call on the only African American student in class; and similarly when speaking about an international issue or country, he would only call on non-white and non-U.S. students.***<sup>14</sup> She explained that she preferred not to speak in class because she observed his reactions to be biased. She felt that the participation in the class by her classmates was also low because of a general discomfort with Respondent's responses to student comments. She also explained that because of the power differential between student and faculty member, she "didn't want to poke the bear. It's not worth arguing with someone whose position is so far away."

Here are the five *RateMyProfessor* posts from Fall 2019:  
<https://www.ratemyprofessors.com/ShowRatings.jsp?tid=323676>

This dude is actually dope. 100% would take again. Hes hilarious.

Awful prof and awful person in general.

Brings bigotry inside the classroom, firmly believes that female students are not capable of being smart. Ridicules the mere concept of someone being anything than a white straight man. Should never be given a platform in the first place. Fight on sight.

Very tolerant and kind. Always a kind ear to talk to in regards to girlfriend problems. Big fan would take again."

By far one of the BEST professors in Kelley. He really cares about all of his students and respects everyone's opinions.

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<sup>14</sup> From Respondent's December 22, 2009 blogpost: "*Affirmative action kills. I just came across the New York Times obituary for Patrick Chavis, one of the five medical students whose race gave them admission over Bakke in the famous case.*"

This footnote is misleading. Take a look at how the blogpost at <http://rasmusen1.blogspot.com/2009/12/affirmative-action-and-incompetent.html> continues:

"By 1996, Dr. Chavis was using liposuction to help women lose weight after giving birth. He was accused of mistreating eight liposuction patients, one of whom died. In 1998, the Medical Board of California revoked his license for "gross negligence, incompetence and repeated negligent acts."

My favorite *RateMyProfessor* post is from 2004, when a student thought I must be a *liberal*:

Eric is a nerd, probably the biggest I have ever met. Lectures are very dry. He is very intelligent and he knows it and he acts like it. Avoid his class if possible. Has to be a liberal.

Another student who was enrolled in Respondent's G406 in an earlier semester, Spring 2019, **Witness 16**, explained her perception that Respondent is a "very intelligent man so it is easy for him to frame his bigotry as academic arguments."

Could it be that what Witness 16 considers "bigotry" is really academic argument?

She explained that Respondent's personal website was listed on their course syllabus

False. See Attachment D, my Fall 2019 syllabus for that course. It doesn't list my personal website, only the webpage for the course syllabus which is *hosted* on my personal website. To find the website itself, you'd have to do a google search.

and that students had to go to that personal website in order to access certain materials assigned (e.g., certain readings, slide deck presentations used in the class).

As explained above, that was the web server for which I personally paid, and students did not have to go through my website homepage.

She stated that he "pushed students to go to his personal website and encouraged them to read his blogs."

Why would I want my students to read my blog? Most of it is unrelated to the class. I might have directed them towards particular blogposts that were relevant to the class. Did I even have a blog in Spring 2019, though? Maybe. I forget.

In the classroom, she stated that he frequently said things that were "off-putting." One example she provided was about immigration. She stated that while the professor would discuss this topic in "academic terms" using "economic concepts and context," it was clear he was making the point that immigration and immigrants were a drain on the economy.

Students can get completely mixed up. In that lecture, I make the point that (a) immigrants increase the size of the economy, but (b) immigration hurts American labor and helps American capital, an effect which dwarfs the increase in total output. Note: most semesters I do not have time to cover this topic.

She felt this could be upsetting to non-U.S. students enrolled in the course.

Again, woke students often are absurdly wrong in what they think is upsetting to normal people, which includes every non-US student I've met.

She also recalled Respondent stated in class, "Nothing happened to me in 2003, and nothing will happen to me now."<sup>15</sup> Finally, she shared that she is in the Business Economics and Public Policy

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<sup>15</sup> See footnote 7 for reference to the 2003 incident.

*(BEPP) club, which already has few women. She expressed concern that women will avoid the field (and club) given Respondent's controversial and negative Twitter statements about women.*

She expressed concern, but does she know of any actual women who have avoided the club and the field, or is it just speculation?

### Faculty

*The School and OIE also heard from several faculty in the same department as Respondent who expressed significant concerns about his conduct towards colleagues and generally within the department, and the impact of his frequent social media posts on their work environment. OIE gathered information from several faculty members, including the current and former chair, as well as senior and junior faculty members.*

*One male faculty member indicated that it was clear to him that **"on a subjective level [Respondent] just does not like women"** and expressed sympathy for his female faculty colleagues who had to interact with Respondent, but who felt unable to share their own views or express discomfort in their work environment. **He stated his belief that in performance reviews or tenure committees, Respondent is negative about females, but did not provide specific examples.***

That is false and slanderous. As far as I can remember, we've had just one woman up for tenure. I of course cannot talk about anybody's position with regard to the candidate, who did obtain tenure.

I'll tell a story, though, that shows you should not make too much of my refusal to comment:

When I was at UCLA as an assistant professor, we had someone come as a two-year visitor with the chance that we'd consider him for a tenure-track position. As the two years were ending, the department met. Nobody thought he should be given a position, though I was the least negative, by a considerable margin. After the meeting, he came by my office, since we were friendly, and said, "Well, what happened at the meeting?"

"I can't tell you that, B—," I replied. "That's confidential." He went off in a huff.

A day or so later, my brash same-cohort junior colleague came to my office. He said, "Eric, B— has been going round to the senior faculty's offices asking about the meeting, and they all said they were in favor of him, but there was too much opposition. Finally, he came to me, and I said, 'B—, actually nobody was for you, but Eric was your strongest supporter'". After that, A— has thought very highly of me.



*Some faculty shared that Respondent would comment on the physical appearance of the female staff and faculty, including their clothing and hairstyle. [passage removed]*

I've removed a sentence about someone who might be embarrassed. I don't think it proper to have reports circulating with comments about people's personal appearance, even if you're purporting to quote other people. Such talk is appropriate for personal conversations, but not for university documents, especially ones that are likely subject to Indiana's Public Records Act (the Indiana FOIA law) and thus available to reporters.

I will say that it is not uncommon for people to comment on drastic changes in other people's dress or appearance. I'm sure my hair and style in dress has received comment from my colleagues when I was absent, since I dress differently than they do and am somewhat careless about getting regular haircuts. I don't think there is any difference between comments on males and females in this.

*Another such comment occurred when Respondent told female faculty, **whenever** they were wearing dresses, that their dresses "looked good" on them. Several faculty shared that Respondent routinely expressed his judgment about the appearance of his colleagues, **especially female** colleagues when they were wearing dresses, and one shared that female faculty would feel as though they are "regularly being judged on her appearance," rather than on her merits as a professional colleague.*

I like to pay compliments when I can. I don't if I don't especially like the dress, necktie, suit, or whatever. I compliment male colleagues on their suits and ties too. I think professors should dress more formally, and so when they look good, I mention it to them. It's absurd to think that whether someone gets tenure will depend on how they dress, though I know junior faculty often have unreasonable fears, however much we try to reassure them or to explain to them the *reasonable* concerns they should have about their true weaknesses as scholars or teachers.

*A few faculty, including female faculty, shared that Respondent talked often about current events and topics of controversy, and that some of these comments touched upon sensitive issues for women and faculty of color in the department, such as reproduction rights and marriage.*

Are you saying that faculty should not talk about current events at lunch? Personally, I try to steer our conversations towards economics topics and research, often without success, but I'd settle for current events in preference to the gossip, small talk, and sports talk that we often fall into.

*Junior female faculty indicated that they felt unable and were fearful to express their opinions or contrary thoughts in response to Respondent because of his status as a senior faculty member. These junior faculty feared he might not like them if they expressed their contrary views and that this would directly affect their te<sub>nure</sub> evaluation.<sup>16</sup>*

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<sup>16</sup> These same faculty expressed fear in sharing these concerns for purposes of this investigation.

Some junior faculty are full of unreasonable fears, however much we seniors tell them that the big thing is their research output and their outside letters, not whether people in the department like them. It is also hard telling them that no matter how much we like them, if they don't get publications, we'll vote against them.

*Some junior faculty described feeling unwelcome and uncomfortable in their work environment, primarily due to Respondent's conduct around them during department meetings, department lunches, and generally in the department, and referred to it as a "toxic atmosphere."*

We hardly ever have department meetings. I'd like to know specifics. I do ask lots of questions and make lots of comments in our "brown bag" research lunches — a weekly lunch I myself got started because when I began at IU, the senior faculty were all going to the gym at lunch and the junior faculty were eating alone in their offices. It's hard to see how I could singlehandedly create a "toxic atmosphere" though. We just don't interact that much except at lunch, and except for the weekly brownbag, most of the faculty don't join the lunch group.

*They indicated that during these settings, he often espoused his opinions, comments and critiques — very often these were connected to his negative beliefs about women and other protected classes. This included a time following the 2019 Twitter incident in which he expressly brought up the subject of his tweet during a departmental meeting, while directing his attention solely towards a female faculty member.*

I wonder what they mean. Did we even have any departmental meetings November 2019-March 2020? I absented myself from lunch at the department, even, so as to avoid complications and to avoid the awkwardness for junior faculty who might have to choose sides between a senior colleague on the one hand and the Dean, Provost, and almost all the other faculty on the other.

*They explained that because of Respondent's senior position and the decision-making power he has as a senior faculty member in evaluating and voting on tenure and promotion decisions, they felt they had no option but to silently listen to him in these situations — and that they were restricted in their ability to express any opposition to his views, to express their discomfort, or otherwise to avoid him or seek relief from him. In light of his social media posts about gender and minorities that they were aware of, and even more so based on the comments he routinely expressed in the department that often touched upon women and minorities, they perceived that he had negative views about them, as women and as a person of color, and did not believe he would evaluate them fairly as they progressed through tenure processes. They expressed feelings of vulnerability, stress, and an inability to participate meaningfully in the department because of Respondent. Other, more senior faculty expressed sympathy and awareness of this discomfort felt by junior faculty in being unable to speak up and empathized with their fear that Respondent was biased towards them based on his comments and his online statements.*

Why should we believe them? Suppose someone thinks I would be a tough vote on a tenure case, for reasons quite apart from gender or national origin. What would be their best strategy as far as talking to investigators about whether I should be allowed to vote on their case?

I am only one of eight or so senior faculty, and by no means the most influential

in the department. My influence is even less with respect to evaluating empirical work, which is the vast majority of what our junior faculty do for research. Even if I were hostile, why couldn't they rely on my seven colleagues voting against me? Clearly, too, I have no clout with the Dean or Provost that would make my vote count for more than everyone else's. If I advocated for someone to get tenure, it would probably hurt them, not help them, with the upper Administration.

*Several of these more senior(?) faculty expressed concern with respect to Respondent's influence on retention and tenure decisions, and one faculty member expressed that **"the process is presently tainted by inequality and bias,"** as a result of the disparaging comments that they indicated they have heard Respondent make about women and minority groups.*

That's a strange statement. What he really means is that he doesn't think a conservative has any right to vote on tenure cases. As I said before, I am only one of eight votes, so if he thinks the process is tainted, my share in the problem must be very small.

*In terms of Respondent's role in the hiring process, one of the faculty reported hearing **negative reactions from Respondent during a department meeting in which they were discussing increasing the diversity of the department.***

I remember something of that. As I recall, one professor was advocating for illegal discriminatory hiring policy, and I said it was illegal and immoral and I wouldn't be part of it. He became angry and spoke of using his fists if I didn't take it back. I didn't, but he didn't fight.

*This faculty member also stated their view that, with regard to promotion and tenure decisions within the Department, **"the bar of achievement will always be significantly higher for those he [Respondent] considers inept or not suited for the job."***

That's a bad way of putting it. Even if the bar is equal for everyone, the inept candidate will have a harder time surpassing it. And a department which hires inept people not suited for the job is not going to perform well.

*Some faculty members expressed concerns about their physical safety following the 2019 Twitter incident, primarily with respect to **students who came to the department to show their support for Respondent after the November tweets,***

There were hardly any of those—or at least if there were, I didn't know about them. Were they visiting other faculty to complain of how the university was mistreating me? I know I heard something about how it was embarrassing for the department that scholars coming to give research presentations ended up asking people why Eric Rasmusen was exiled to a faraway office. But I don't think the visiting professors threatened violence.

*and **their fear that others would come to protest his behavior.***

I can well believe they were afraid they might be collateral damage if Antifa came to attack me just down the hall. As I mentioned, the University posted a policeman in the hallway for some time. I did sense resentment from colleagues that I was the subject of controversy. It was similar to how businesses situated

next to Jewish businesses must have felt in 1930's Germany, when their safety was threatened by proximity to the Nazis' targets.

*One faculty member felt as though **Respondent's presence in the department** encouraged students to treat other faculty members with disrespect: "I was in my office and heard this strange, combative conversation. I got up and went down the hall and an undergraduate was berating a female colleague in a way that they would never treat me."*

How exactly am I to blame for this incident, and why was the student berating the professor? If indeed it was because they were arguing over the Provost's treatment of Professor Rasmusen— and we have no evidence here to suggest that— then how is Professor Rasmusen to blame for students being angry?

*One faculty member feels that Respondent has become emboldened since the 2019 Twitter incident. This faculty member told Investigators that they overheard a student ask Respondent how he was afforded the ability to have such a strong voice, and that Respondent's reply concerned them. This faculty member recalled Respondent saying to the student something like, **when you are as far along in your career as I am, and as close to retirement as I am, you have a lot more opportunities to speak out than if you are new in your career.** The faculty explained that to "to me this meant, I've got nothing to lose, I'm full tenured, close to retirement, I'm going to speak my mind and ignore repercussions."*

Yes, it is certainly true that faculty members with tenure feel more free to speak out against the Dean. That is actually the point of tenure. Of course, the Dean can limit a professor to tiny raises, as happened to me after 2003, move him to an isolated and distance office, and make life uncomfortable in other ways, but it helps to have an international reputation and to be old enough that you don't care so much if they unlawfully fire you or try to humiliate you. It must be much worse for younger faculty who are not so well established.

*This faculty member explained that they feel great frustration at their own position as the faculty member that most students are familiar with (because the course they teach is required for all students in the major) and yet **this faculty member believes they have no authority to take any action.***

That's right, they have no authority to suppress my freedom of speech or to fire me or break my knees— and a good thing too.

#### E. Other Alleged Conduct Concerns

*During the course of this investigation, several other concerns were raised by students **and leadership***

That means Kelley School of Business Dean Kesner, right? She mentioned these things to me, and we have discussed them. I had a real sense she was grasping at any little breach of rules she could possibly find to use against me.

I don't think she needs anonymity here, does she? If the Dean is out to "get" a member of the faculty, it should be done out in the open.

*regarding Respondent. These concerns allege **possible misconduct outside of the non-***

**discrimination and sexual misconduct policies.** We have described these allegations and related information below.

As noted above, the Title IX committee procedures are only for sexual misconduct. And of course this report hasn't mentioned any allegations even of that. The reports says that for convenience, they lump in various other kinds of discrimination allegations too. Here, it says that there are allegations of misconduct still further afield from their jurisdiction, but they'll talk about them anyway. Why?

*First, following the November 2019 Twitter posts, the university took steps to evaluate the classroom environment, based on concerns of alleged bias. This included seeking Respondent's consent to record a video of his class in December 2019. Following the recording of his class, Respondent downloaded his own copy of the recording—without authorization from the university and after being specifically instructed not to download the video due to student privacy concerns*

As I recall, the Dean didn't tell me not to download it. Rather, the tech people recorded it in a format inconvenient for downloading, and I downloaded it anyway.

*—and created an edited version of the recording. Respondent then provided this edited version to a reporter with the Indiana Daily Student (IDS).*

The Dean told me she objected to my recording. I had agreed to the videorecording thinking I would be able to use it myself to show my lack of misconduct in teaching, but she wanted the arrangement to be one-sided, where the Administration could use excerpts to attack me, but I would be forbidden to show the video to the press to defend myself. That seemed unreasonable to me.

In particular, the university's own news service requested some video of my class for a story on the controversy, and I provided it to them, to the dismay of the Dean.

**A number of students in the G406 class approached the Dean's office with concerns of his editing the video and sharing it with a reporter.**

Let's be careful here. Did the students approach the Dean's office, or did the Dean's office approach the students and ask them to say they were concerned about privacy? I suggest the latter. How else would the students know that the reporter had obtained a video? Somebody had to tell them.

*These students stated they were concerned about both their privacy and their safety. The university objected to Respondent's downloading, editing and distribution of that recording, and the IDS reporter has indicated that she has since destroyed the copy provided to her. The university asked Respondent to destroy copies of the video in his possession, and he indicated his refusal to do so. The university informed Respondent that he was **infringing on the university's copyright and violating university policy.***

If this was copyright infringement, professors do it all the time in the business school's online program when they make copies of lectures. And all professors do it all the time when they make copies of their class notes, slides, or other materials. So I'm skeptical.

As far as university policy, it would be useful to specify *which* policy, unless it



was made up on the spot. As I pointed out to the Dean, the University often makes use of photos and video of students without asking the students' permission, for publicity purposes, and the Dean herself has been featured in such videos.

*The video depicts a number of students' faces and the names of students who spoke in the class, including the email address of a student Respondent used as an example when showing students how to set up an anonymous email address. **Following** this incident, several students signed forms opting out of Respondent's use of any recordings from class.*

Note the phrase, "following this incident". No student objected when the Dean said that the class would be recorded. It was only after the Dean objected to my use of recordings of my class that they signed the forms which gave the Dean an ex post facto justification for restricting public distribution of the recording.

*Second, numerous students shared concerns with Respondent's textbook and the process students had to use to obtain the textbook for his course. Students in the course bid on the "rights" to print the textbook and distribute copies to the rest of the class. For the first half of the textbook, students name the price they will charge their individual classmates for the text, and the lowest bidder wins. The winning student is then responsible for producing and distributing the textbook and is allowed to keep any profit that they receive. For the second half of the textbook, the process is repeated but the second- to-lowest bidder wins. Students shared concerns that, **for those on scholarships, this made it difficult to budget their expenses for the semester.***

See my discussion of this in Attachment B. Note that this practice resulted in a textbook far cheaper than the textbooks students have to buy in bookstores. Students could budget \$80 and know that they would have money left over.

This is yet another example of the "concern for the unfortunate". It seems it was not those on scholarships who were bothered, but other students who were concerned about scholarship students.

*Students also raised concerns that this process **violated Indiana state law which requires textbook prices to be known to students in advance of the course.** In the Fall 2019 semester, the same student (Witness 8) won both rounds and stated that he felt the exercise was "fun" and that he did not lose any money on the exercise.*

Did students raise this concern? I doubt it. I think the Dean raised this concern. How often do students look up state laws to try to get a professor punished? As with policy, a report like this ought to specify the law that is supposedly being violated. Is it a criminal law? A civil law? Does it have any penalties? Has a prosecutor ever brought charges under it? How often do instructors tell students the prices of textbook in advance of the course? Are students really bothered if they are told a price (say, \$80), and it turns out to be cheaper later?

*Several students also shared their privacy concerns regarding Respondent's manner of distributing grades. They described that for Respondent's class, **he asks all students to sign an agreement in which they agree to his practice of passing out graded assignments in a single folder where students can view each other's assignment grades. The students said that they felt they had to sign the agreement.***

I specifically tell them they don't have to sign, and it is always the case, in every semester, that some students don't sign.

*Witness 5 stated that Respondent told the class that if they did not sign the agreement, he would try to find another method but that their assignments may end up in the folder anyway.*

I don't just "try" to find another method. What I do every semester is to hold onto the quizzes or homeworks of students who didn't sign and give them out personally before or after class, depending on when is convenient. I may have said that occasionally I pass out a students' homework by mistake. In that case, other students would be able to see that they had done the homework problems and gotten the usual check mark.

*Students also reported that Respondent assigned "scribes" for notetaking in his course on a rotating basis with an instruction document posted on his personal website that included: "The scribe will record a check mark next to the portrait of each person who says anything in class. He will circle the check mark if the person says something especially useful or says a number of things that put together seem worth the circle. He will record an X if someone talks too much or unhelpfully, and nothing at all if someone doesn't talk. Also, if someone says something especially noteworthy, write his name and a few words on the seating chart to help me remember it later." (See Attachment B.)*

*The scribe for an assigned class would track class participation, though Witness 5 stated that it was never clear how this factored into student grades. One student explained that the "scribe" had to use the class seating chart, which included each student's name and picture, which they accessed on Respondent's public website.<sup>17</sup> **Students shared privacy concerns regarding this process, including that the list of which students would serve as scribe on what class days was also shared on Respondent's publicly accessible website.***

Again, I think it was the Dean who had the privacy concern, or wanted to find some excuse to discipline me. Do you really believe that students feared someone would come to the website, look for the list of scribes, and violate their privacy by seeing that they were taking G406 and who was the scribe on November 12, 2019? In the age of Google and Amazon, concern over someone knowing that you took G406 surely is not anyone's top problem.

### Respondent

*OIE interviewed Respondent on September 8, 2020. Respondent provided a further written response on September 11, 2020. The written response is attached in full as Attachment C.*

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<sup>17</sup> The student shared a link to the seating chart on Respondent's website [www.rasmusen.org/g406/seating-chart-studentview-fall2019.pptx](http://www.rasmusen.org/g406/seating-chart-studentview-fall2019.pptx); at the time OIE tried to access the link, however, it was no longer working.

Yes, it was there, but I took it down in response to the Dean's complaint—and, of course, after the semester is over there's no point to keeping such materials up anyway.

*When asked about student concerns that he singled out an Asian student in class and used a stereotypical Asian accent, Respondent recalled an Asian student but did not recall saying the word 'lawyer' in a mocking, stereotypical accent. When asked about choosing to call on students on the basis of their national origin or ethnic identity, Respondent stated that he does not do that, and that he calls on all students in his class. Respondent stated that he did not recall students expressing concern about who he called on, until this year when students discussed it in the anonymous comments he solicited in Fall 2019. (See Attachment A, page 9.)*

*When asked about in-class behavior or comments when he did not acknowledge the potential for same-sex relationships among his students, Respondent declined to respond to this concern.*

It's not a good practice to answer questions on hot-button controversial topics when they are sprung on you by Title IX investigators. Note that before this interview, I was not provided with a list of questions or even a list of allegations. In fact, I didn't get one after the interview either, until seeing the report in January 2021.

I have addressed the gay-marriage point earlier in this response.

*When asked about the student concern regarding the photo of Adolf Hitler in his textbook, Respondent stated that the photo is part of an illustration designed to complement a discussion on the Pareto principle. Respondent stated that the point of the illustration is to discuss the decision of who counts as human. Respondent stated that the inclusion of a photo of Hitler in the illustration is "designed to make you think." Respondent stated that this illustration is discussed in class, not only included in the textbook readings.*

See Appendix C for further explanation, including the picture itself.

*When asked about Witness 14's report that he made comments in class in which he criticized gays and Muslims, specifically that "**Muslims were bad but gays were worse**" and that gays should not be teaching, Respondent did not recall making that statement in class but believes it could have come up as an illustration about controversy, specifically the 2003 controversy of him expressing those specific opinions.*

I highly doubt I said the quoted sentence, but the *topic* may have come up.

*Respondent mentioned several times during the interview that he liked to talk about controversies in class – at one time stating he meant talking about "how we react to being attacked" and responses to controversies. He **did not indicate how these discussions related to the subject matter being taught.***

G406 is a class about business and government, so it involves economics, law, and political science. Dealing with organizations is a huge part of the class, and probably the most practical and immediately applicable for business students, who will spend their entire careers dealing with bureaucracies.

*Respondent was made aware of student concerns regarding posting of student identities on his personal website and the cost of his textbook, but declined to respond to these concerns during his interview with OIE.*

*When asked if the response to his tweets in Fall 2019, and students sharing that they were uncomfortable, made him reconsider his tweeting, Respondent declined to comment. **Respondent***

**stated that he does not consider his Twitter account a way to engage with his students, and that it is “quite separate” from teaching.**

Quite right. Does *anybody* in the world use a Twitter account as a way to engage with students? I don't see any connection at all.

*When asked about concerns regarding the work environment in the Business Economics & Public Policy Department, Respondent stated that he felt that it was a somewhat collegial department, before the Fall 2019 controversy. Respondent stated that he started the Department's Tuesday brown bag lunch to increase regular interaction with his colleagues. Respondent stated that at department gatherings, such as lunches, conversation will shift into social topics and “sometimes” has gotten uncomfortable, but that no one has told him that he has made anyone uncomfortable.*

Although nobody has told me I make people uncomfortable at lunch, I can think of three times over the years when one of our faculty have been informally told by colleagues that they were making people uncomfortable and ought to quit. One was too aggressive and verged on the rude. Another made insulting quips. The third was me: someone told me that seminar presenters didn't like it that I circulated notes I took during their seminars with suggestions for improving their papers. These three examples suggest that we in the BEPP department do talk about people being made uncomfortable, but my lunchtime conversation did not rise to the level where people were very concerned. (This is a variant on the *expressio unius* argument.)

*When asked about his colleagues' response to the Fall 2019 Twitter incident, Respondent stated that he felt that his colleagues blamed him for being controversial, but did not disagree with his actions. Respondent stated that he does not view his Twitter account as a way to communicate with his colleagues within the department, and found the idea “ridiculous.”*

Indeed, it is a humorous thought. Who would use a Twitter account to communicate with colleagues? How many people even have colleagues who follow them on Twitter? I only follow one of my colleagues, and I don't know if he follows me.

*When asked broadly whether the Fall 2019 controversy had given him any pause in continuing to use his Twitter account to comment on things in the news, Respondent stated that it did, but then also stated that he has “tried to resist being suppressed.”*

I go on and off with blogging, Twitter, etc. It's hard to decide whether it's a good use of time or not, with arguments on both sides. One must resist getting caught up in debates with unreasonable people—but reasonable people show up also, with useful information, ideas, and comments.

#### **Applicable Policy**

*The university's Non-Discrimination Policy, UA-01, prohibits discrimination on the basis of age,*

**color, disability, ethnicity, sex, gender identity, gender expression, genetic information, marital status, national origin, race, religion, sexual orientation, or veteran status.** Discrimination includes **harassment** based on any of these protected classes. Prohibited discrimination occurs **when someone is treated differently based on their membership in one of the protected classes identified above.** Discrimination includes prohibited harassment directed at someone because of their membership in a protected class (or the perception that someone is a member of a protected class), that has the purpose or the effect of **substantially interfering with the individual's access to education or work, or creating an intimidating, hostile or offensive working environment or academic experience.** When analyzing whether discrimination has occurred, this office considers whether there have been any adverse impacts on an individual work or education environment and **whether individuals outside of the protected class received more favorable treatment.** If there was an adverse impact on an individual's work or education environment, this office considers whether there is a legitimate, non-discriminatory reason for the action.

Under **UA-03, sex and gender-based discrimination is further prohibited.** Sex and gender-based discrimination includes **verbal, nonverbal, graphic, or physical aggression, intimidation, or hostile conduct** based on sex, sex-stereotyping, sexual orientation, or gender identity, but not involving conduct of a sexual nature, when such conduct is sufficiently severe, persistent, or pervasive that it interferes with or limits an individual's ability to participate in or benefit from the university's education or work programs or activities.

I think the difference is that while UA-01 also applies to sex discrimination, it provides the defendant with more due process protection against anonymous innuendo.

The **Code of Academic Ethics** also speaks to the responsibility of faculty as university citizens and expressly incorporates the UA-03 Policy as well, indicating that faculty may be disciplined for conduct that is in violation of the Sexual Misconduct Policy, UA-03.

Further, it sets forth **Specific Responsibilities** for academic appointees, stating that as a component of academic ethics, "[a] teacher will strive to develop among students **respect for others and their opinions** by **demonstrating his or her own respect for each student as an individual**, regardless of age, color, disability, ethnicity, sex, gender identity, marital status, national origin, race, religion, sexual orientation, or veteran status."

Finally, with respect to their "**Relation to the Community**," the Code of Academic Ethics states that "...[T]heir positions as members of a university and of a learned profession impose special responsibilities. **When they speak or act as private persons, they will make it clear that they are not speaking or acting for the University.** They will also remember that the public may judge their profession and the University by their utterances and conduct, and they will **take pains to be accurate and to exercise restraint.**"

To be sure, administrators are not "academic appointees", so the *Code of Academic Ethics* does not apply to them, but their behavior still helps set the tone of the University, so let's see what style they think is accurate and restrained. Provost [Robel](#) wrote:

Dear **Kelley Community Members**,



Professor Eric Rasmusen has, for many years, used his private social media accounts to disseminate his **racist, sexist, and homophobic** views.... He has posted, among many other things, the following **pernicious and false stereotypes**: ...Ordinarily, I would not dignify these **bigoted** statements with repetition, but we need to confront exactly what we are dealing with in Professor Rasmusen's posts. His expressed views are **stunningly ignorant, more consistent with someone who lived in the 18th century than the 21st**. Sometimes Professor Rasmusen explains his views as animated by his Christian faith, although Christ was neither a **bigot** nor did he use **slurs**; indeed, **he counseled avoiding judgments**. Rhetorically speaking, Professor Rasmusen has demonstrated no difficulty in casting the first, or the **lethal**, stone.

Kelley School of Business Dean Idalene [Kesner](#) wrote:

To the **students, faculty, and staff** of the Kelley School,

As many of you... he holds similarly **reprehensible** views regarding other areas of diversity. The professor demonstrates **a lack of tolerance and respect for women** as well as for racial diversity and diversity in sexual orientation. **The leadership of the Kelley School stands united in condemning the bias and disrespect displayed by this professor**; we find his **sexist, racist, and homophobic** views abhorrent. ...

**Each** of us brings a valuable **aspect of diversity** that gives our institution strength. **I hope we can remember this** even when we are challenged by **others whose minds are closed** to this viewpoint.

Compare my writings with these. In particular, I think [my op-ed calling on the Trustees to replace Provost Robel](#) has a much more moderate tone, showing that one can have strong substance and still maintain a civil tone.

#### **Analysis and Recommendations**

*Based on the information collected by OIE, there is a lengthy and substantial record of Respondent making verbal statements in the classroom, and some in the workplace, **which are also reflected in his online posts (and vice versa)**,*

A peculiar sentence. Yes, I have a lengthy and substantial record of making statements. All human beings make a lot of statements. That's what human speech is: a lot of statements.

*and that **these inappropriately reference, touch upon, or are related to race, sex, religion, national origin, and sexual orientation**- all protected classes under university policies and the law. Among those are statements in which Respondent **describes or otherwise infers** that the protected class at issue is less qualified, especially in reference to their participation in education and academia. The persistence and pervasiveness of such demeaning statements have **a cumulative effect of creating a hostile environment** that a reasonable student or faculty member in those protected classes could*

*find offensive and could lead to **the reasonable perception** that they are treated differently by Respondent because of membership in those protected classes.*

It is not a “reasonable perception”, and in any case a perception is not reality, however reasonable the perception may be. If we know somebody did not commit burglary, we don’t jail them, even if someone with partial evidence has a “reasonable perception” that they are a burglar. Moreover, in not a single one of the incidents described above, even as described, did I “describe or otherwise infer” that a protected class was “less qualified”. The Investigator is making that up. In fact, the sentence is incoherent. “Less qualified” for what? And I think the Investigator meant to say “imply”, not “infer”. They mean different things.

***Respondent’s classroom comments, written statements, and their connection with online posts:***

*Turning solely to the conduct in the classroom, this included concerns reported by current and former students of how Respondent singles out students in class, based on what he perceives as their national origin, race, gender, sexual orientation, national origin, etc., when discussing topics that he relates to such categories in a stereotypical and discriminatory manner. Even prior to the Twitter incident of 2019, for some students Respondent’s classroom environment was an unwelcome one in which they reasonably perceived discrimination and **several students reported bias related concerns with the university prior to that time.***

Note that not a single students complained to the department chair or other administrators over my 37 years of teaching from 1982 to 2019. What the boldfaced sentenced above means is that after the Dean and Provost called for complaints in 2019, a few of the hundreds or thousands of students from those 37 years called in with complaints.

*For former students, examples of how students perceived negative bias by Respondent in the classroom included his negative comments about “gays” and Muslims; directing comments about assimilating or proving language ability towards international students; negative comments about immigration; singling out African American students in class when talking disparagingly about affirmative action; and using women’s reproductive health and birth control to discuss economic principles for purposes of teaching his class.*

*In his Fall 2019 class, the incident regarding Respondent’s comments about marriage – and singling out students within the class to pair only males and females for purposes of marriage – as well as his mocking pronunciation of the word “lawyer” with a derogatory, purportedly Asian sounding accent, stood out as significantly concerning to students. In addition to these specific examples, several students referred generally to the fact that Respondent’s comments of this type were common, although they did not provide additional examples. One of those students dropped Respondent’s course.*

*One student also shared their perception that Respondent cold-called on female students more than male students, and was more dismissive of female students than male students when they gave an incorrect answer. Students reported that Respondent primarily uses the pronoun “he” when teaching and giving anecdotes in class about business and economics, and **Respondent uses only male pronouns in written instructions to the class (see e.g., Attachment C).** Students reported that Respondent shared stories in class regarding mistresses and women who choose to be homemakers rather than work outside the home, **with the inference being that the first-mentioned roles for***

**women were appropriate, while the latter role was not.**

It isn't believable that someone with my old-fashioned Christian moral principles would be trying to persuade my students that being a mistress is an appropriate vocation, profitable though it was for our current vice-president when she got her start in public office with [Willy Brown's appointment to a sinecure](#). I would never recommend such behavior. I do, however, think being a "homemaker" is an excellent vocation, agreeing with Chesterton that "How can it be a large career to tell other people's children about the Rule of Three, and a small career to tell one's own children about the universe?" ("The Emancipation of Domesticity," from *What's Wrong With the World*, [http://ignatiusinsight.com/features2007/print2007/gk\\_domestwww\\_july07.html](http://ignatiusinsight.com/features2007/print2007/gk_domestwww_july07.html) ). Ironically, in G406 I do go over the Rule of 72 that the students were first taught in I-Core Finance: that the number of years it takes to double an investment at an interest rate of X% is approximately 72/X, so if you invest at 2% you will double your money in 36 years.

*Based on these experiences from students in Respondent's class, some students **reasonably perceived** that Respondent was treating women unequally. Some students also **reasonably perceived** as discriminatory Respondent's comments in class based on religion – as exemplified by comments about Muslims and on what some perceived to be Respondent's anti-Semitic views; regarding national origin and race, based on comments toward Asian and African-American students in the classroom; and regarding sexual orientation, based on his comments on who could or should marry.*

Again, we see "perception" as being the offense, not reality.

*Respondent's **online activity is also relevant** because as evidenced above, and further explained below, **he has directly inserted his online activity into the class***

How?

*and, at times, into departmental settings with colleagues as well.*

How?

*An overarching theme heard from students was concern about Respondent's statements outside of the classroom – on his Twitter account and also on **his website/blog, which students, at that time, had no choice but to access to participate in classroom requirements.***

*As noted above, students were required to link to class materials through Respondent's **personal website.***

False, as noted above.

*Respondent's personal website, in turn, contained oftentimes **highly-charged and openly-discriminatory blog and other online statements.***

Recall again that the Provost's statement, published not on a personal blog but as an official university letter, said that I was "sexist, racist, homophobic, bigoted, and stunningly ignorant." After that, how can anyone accuse me of making "highly-charged" statements?

A fundamental problem here is the belief that anyone who is conservative or

voted for Trump (two different things) is an evil person, a white supremacist, a discriminator. This is often accompanied by the belief that to condemn Christian beliefs in the way the Provost does, and to seek to hound their advocates from Indiana University, is not discriminatory.

*Thus, for those students who found Respondent's in-class comments and other behavior toward women and under-represented minorities harmful or objectionable, their educational experience with Respondent meant that they were doubly exposed to **Respondent's apparent prejudices** against those who are not white, male, heterosexual, American, and Christian, as he **apparently** is. On the website, persons of a different sex, gender identification, race, national origin, or religion **would find themselves belittled**.*

Note that the Investigator says "would find themselves belittled", not "found themselves belittled", or "were belittled". The subjunctive is used as a way to alleging an offense when there is no evidence at hand.

Who have I belittled? Name names. Justice Department attorney Lisa Page, to be sure, but who else? Anybody in my department or my classes?

*Affirmative action was also belittled.*

No, not "belittled", but "criticized". The Investigators need to look up definitions more. To "belittle" something is to treat it as unimportant. If I thought affirmative action was unimportant, I wouldn't criticize it, especially knowing the response I'd get from the Administration. I do criticize it, because I am opposed to discrimination, and to law-breaking by universities who discriminate.

*Respondent's online writing uses terms and language that include **long-abandoned and outdated pejorative language and derogatory terms** (which overlap with similar classroom conduct),*

It's not my fault if investigators have limited vocabularies. How, too is it that the Administration is criticizing the vocabularies of the faculty? I hesitate to invoke credentials, but are J.D.'s who could only get jobs in minor administrative positions really in a position to criticize the writing of tenured professors in Big Ten universities?

*and in these writings sometimes connects these comments with **terms of violence**.*

Another ball out of left field. No proof whatsoever.

*For example, in his posts Respondent commonly uses the term "he" to cover all genders;*

So you're saying "he" is a term of violence? It would seem Americans constantly engage in violent conversation. As did Chaucer, Milton, Shakespeare, Virginia Woolf, Betty Friedan, the Chicago Manual of Style, and, indeed, all writers of English throughout history. And, we might add, the majority of Indo-European languages. And even Indiana University, for most of its history.

*uses the spelling of "Moslem";*

So?

*has used the pejorative term “retard” for an individual with a disability;*

Where? You know, this is supposed to be a conclusions section, not a Further Evidence section. Also, assertions should be backed up with footnotes, something we teach our students.

I did a quick google search for “Rasmusen retard” and found the aphorism in question:

“Texting turns you into a Moron; Powerpoint, to a Retard; Facebook, to a Bore; Instagram, to an Animal; Twitter, to an Artist.”

at <https://www.rasmusen.org/blog1/texting-turns-you-into-a-moron-powerpoint-to-a-retard-facebook-to-a-bore-instagram-to-an-animal-and-twitter-to-an-artist/>.

In the blogpost I go on to explain:

“**Powerpoint.** You learn to think in bullet points instead of logically connected thoughts. Tufte, Powerpoint Is Evil... I mean to be humorous, but this is actually very serious. If you don’t consciously take steps to prevent your brain from eroding, it’s going to happen.”

*and references “lynching” and “gassing” in a non-historical or sarcastic context.*

Another cryptic allusion without footnotes.

*Respondent’s online posts are part of the way he has made his opinions public over the course of many years. **He has expressly promoted his website and blog to students***

False, as explained earlier.

*and he required students to access course materials, including syllabi, rosters, exam questions, and other material, via his website*

False, as explained earlier.

*. Student and faculty accounts of Respondent’s comments and behavior in the classroom and the department echo Respondent’s views in these posts. Based on the information and concerns shared by students, Respondent’s classroom became, at times, yet another audience for the views expressed in his online commentaries. Respondent is a prolific writer online and seems to want to reach as many people as possible with his opinions as evidenced by his practice of quoting his own blog statements on his Twitter account with a link to his website. This is the **holistic, actual, real-world environment** that colleagues and students experience and describe when interacting with Respondent in the department and the classroom. Respondent’s comments and self-promotion on the internet are inextricably interwoven with his classroom behavior. He considers his opinions integral to his academic work, which in turn, flow into his comments in the classroom. Respondent has either no sensitivity to – or a complete disregard for - how his opinions may be viewed by others, and **what effect his spoken and written words may have on those over whom he has evaluative power.** The Code of Academic Ethics reminds us that the student-professor relationship should be governed by an atmosphere of mutual trust and respect. **Respondent’s treatment of students in his classroom does not promote respect for others as individuals; rather, Respondent demonstrates that he views his students through a lens that categorizes them***

Let’s unpack this. It is said that I “do not promote respect for others as



individuals”. Note first that the allegation is not that I “do not show respect for others as individuals”. There was no evidence for that, so it couldn’t be alleged. Thus, something vaguer has to be alleged. Nor is it that I “promote disrespect for others as individuals”. There is no evidence for that either. We must get still vaguer. The allegation is that I “do not promote”. It’s unclear what that even means for someone teaching an economics class, as opposed to a class on how to respect people, but the reader gets the feeling that I have been undermining respect for individuals somehow. How, is not specified. There is no evidence that supports even the vague allegation.

The criticisms some students make is that I am treating students as individuals, in contrast to following the identity politics so common nowadays. It is that I treat them as individuals rather than as “members of protected classes”, a term that always makes me think of India’s “members of a scheduled caste”. Note how many of the student concerns in this report are based on woke student stereotypes about people in non-mainstream groups feeling oppressed, depressed, and persecuted, in need of liberals to help them— when those people don’t even notice the purported insults. The vast majority of the people quoted here say they were not offended but “felt” other people might be. Feeling does not establish truth. Claims of feeling something do not even establish feeling, just a desire to be though to feel something or a desire to harm an enemy.

*(quite unfairly at times) consistent with **the discriminatory views he expresses elsewhere.***

Another broadside charge that has not been established. This would seem to refer to my opposition to affirmative action. Quite simply, my opposition to discrimination is being termed “discriminatory”.

*The examples included above demonstrate Respondent’s actions in the classroom and his continuing practice of using the classroom to reiterate the types of discriminatory, **pervasive statements***

How can a *statement* be pervasive? Again, the Investigators are not thinking about what they are writing.

*he promoted prominently in his online platforms. These instances date back through many years and have been encountered by students throughout the courses Respondent teaches, in varying degrees, for many years.*

Yes, I have taught many years—37 years— but with no complaints ever sent to the Administration.

*The written and spoken statements created an environment in which those taking the course, **those who dropped the course**, and those considering whether to take the course, have reasonably believed*

As I recall, the report said earlier that only one student who dropped the course even claimed it was because he couldn’t stand my political views, much less demonstrated that that was the real reason, so “those” is an exaggeration. Say “one who dropped the course”.

The phrase “those taking the course have reasonably believed” is a fabrication,

contradicted the earlier part of the Investigative Report. It appears that three or four of nineteen students in Fall 2019 claim they believed it.

*that Respondent does not provide them equal access to education in his class and reasonably believed they were viewed and evaluated differently than their peers.*

*It is fair to say that **many students and some faculty members have no issues with Respondent's statements and may be able to work and study with him without a direct impact.***

Just “some” faculty members? I just counted up how many different co-authors I’ve had over the years. I see that 22 other scholars have been able to stand working with me on lengthy projects, so I think “many may be able to work and study with him” is more appropriate. In fact, two of my co-authors are Indiana University professors who have joined in condemning me, and they had no problem in spending long hours working with me on articles.

*While several students **felt** personally discriminated against based on their protected class,*

They “felt personally discriminated against”? This feeling seems to be based not on any personal relations with me, but on the feeling that I wrote things to the general public that indicated disrespect for some class to which they belong. In any case, “felt” is not enough: reality is what investigation is supposed to determine, not people’s perceptions.

Very likely, we aren’t even seeing true perception here. “Perception” is subjective, unprovable by its very nature. The evidence here is what people *say* they perceive, not what they really perceive. We cannot know what they really perceive, or even what they mean when they say “I perceived...” or “I felt that...” As noted earlier, two of the IU faculty who said they perceive that I am bigoted had no trouble interacting socially with me for many years or working with me on long research projects. Thus, I am skeptical that their stated perceptions are their real perceptions, as opposed to attempts to signal for social or professional reasons that they are woke.

*some others indicated they did not necessarily feel personally targeted or directly harmed, but shared their concern for the harm Respondent's conduct may have for other current and prospective students. Those faculty and students who choose to could still be able to work with or take Respondent's classes. However, **it is reasonable that some students and faculty**, particularly those that are female, those that are members of religions that Respondent apparently does not follow or agree with, and those with different sexual orientations, different races and national origins than Respondent, **could reasonably feel** that their access and treatment in the classroom and the educational environment provided by Respondent was less than equal **and that they were prejudged, disrespected or thought to be less qualified by Respondent.***

Again: that someone *feels* I *might* do something wrong is irrelevant. The question is whether I have *done* anything wrong: *did* I discriminate, as opposed to *maybe* I *would* discriminate sometime. Some people *feel* Jewish professors would mistreat them. That does not mean Jews *do* mistreat them or that Indiana University should refuse to hire Jewish professors. Similarly, when people feel that conservatives would mistreat them, that doesn’t mean Indiana University

should refuse to hire conservative professors. If someone feels that a radical provost would illegally mistreat professors, that in itself doesn't mean the university shouldn't hire radical provosts.

*Those students and faculty should not be **forced** to take Respondent's classes or be evaluated by him as a condition of completing a certain business degree.*

The contention here is that students who disagree with a professor's opinions should not have to take his class. If so, will conservative students be allowed to not take the 80% of their business classes taught liberal professors? Note above Lillyan Hamilton's observation about the professor who responded with obscenity to a question about Trump's economic policies.

***When evaluating colleagues in any protected class, given the Respondent's clearly stated views that persons in those protected classes are less qualified or less meritorious, he has made it clear that he is unable to evaluate them fairly and should therefore recuse himself from any evaluative decisions regarding faculty colleagues in any of these protective classes.***

Another patently false allegation. I've never said that being in a protected class should be the grounds for evaluating them. Rather, I've argued that qualification should *not* depend on being a member of a protected class.

You are saying that anyone opposed to affirmative action should recuse himself from any evaluative decisions regarding the classes privileged by affirmative action. Would you say that at a private university, where many professors criticize "legacy admits" – the preferential admission of alumni children— those professors shouldn't be allowed to grade alumni kids in their classes? I doubt anybody believes that, but the parallel is exact.

Going a step further, I have heard in conversation with Vice Provost [Dennis Groth](#) that affirmative action admits have lower average test scores. In fact, he was proud about how those scores have been improving along with that of the ordinary admits over time. Should Vice Provost Groth be fired and replaced by someone who would deny the facts? Does the truth about the test scores matter for whether he should be removed from any responsibility for admissions? What, indeed, *is* the truth, since those figures are not released to the public? Why does Indiana University not admit those figures?

Going two steps further, if affirmative action admits indeed have lower entering test scores, and we see that test scores are good predictors of future grades, do we not have to remove from evaluative responsibilities those instructors who believe that those lower-test-score students should be expected to get just as high grades as higher-test-score students?

*The university's policy UA-3 covering sexual misconduct, both previously and now in its updated form covering all types of discrimination and harassment, contains the following sections on intellectual inquiry and debate:*

- A. *In determining whether discrimination, harassment and/or sexual misconduct has occurred and what type of remedy, if any, might be appropriate in a given case, the university will*

also consider the fact that **free intellectual inquiry, debate, and constructive dialogue are vital to the university's academic mission and must be protected** even when the views expressed are **unpopular or controversial**. Accordingly, **any form of speech or expressive conduct that is protected by state or federal law, including the First Amendment, is not subject to this policy**.

Here, Section A says that none of a professor's tweets are relevant for a report like this. So why are they mentioned?

- B. This policy is meant neither to proscribe nor to inhibit discussions, in or out of the classroom, of complex, controversial, or sensitive matters, including matters involving protected characteristics, when, in the judgment of a reasonable person, they arise for legitimate academic and pedagogical purposes. This includes intellectual inquiry, debate, and dialogue on related issues. The mere expression of views, words, symbols, or thoughts that some people find offensive does not by itself create a hostile environment.**

Section B is more limited, elaborating just on discussions for academic or pedagogical purposes, rather than talking about discussion in general like Section A. Section A says that discussion outside of the classroom is not subject to Policy UA-3, because discussion outside of the classroom for non-pedagogic or academic purposes is clearly protected by the First Amendment. Discussion inside the classroom, or outside for academic and pedagogical purposes, is less clearly protected by the First Amendment, since one might argue that the University, as employer, has the right to prohibit free discussion without being restricted by the First Amendment. Section B says that nonetheless, the university does not allow itself to define free expression as creating a hostile environment.

I may be wrong here, since I do not know constitutional law very well, but I think that is an accurate description of why section B is not redundant. The conclusion is that any academic or pedagogic expression of mine cannot be said to create a hostile environment.

There are numerous other places that academic freedom is listed as a **stated** value of the university.

Yes, academic freedom is a *stated* value of the university. The question is whether it is a *real* value of the Administration.

Even in the university's highest level code, the *Principles of Ethical Conduct*, there is an entire section on academic freedom including the provision that, "In the exchange of criticism and ideas, show respect for those with differing views and allow others to express their views." In this case, not only students, but also faculty junior to Respondent, pointed to **the power differential in place**,

How humorous. On the one side, Professor Eric Rasmusen. On the other side, all the other faculty, [the Dean](#), [the "united leadership of the Kelley School of Business"](#), the Provost, the *Washington Post*, the *New York Times*, and the rest of the corporate media. Where, again, is the power differential?

and indicated **they felt** restricted, intimidated, uncomfortable, and otherwise unable to differ with Respondent's views without being negatively affected in their academic experience and, for faculty, their professional success.

Yet again, they “felt”. But does this have any relation to reality? How do we know they really felt that way— that they are telling the truth, as opposed to expressing hostility to conservatives generally or Professor Rasmusen in particular?

All policies related to academic freedom also include **responsibility**, including, as the Code of Academic Ethics states:

*A teacher will strive to develop among students **respect for others and their opinions** by demonstrating his or her own respect for each student as an individual, regardless of age, color, disability, ethnicity, sex, gender identity, marital status, national origin, race, religion, sexual orientation, or veteran status.*

I question whether Dean Kesner and Provost Robel have shown “respect for others and their opinions”. Indeed, this is why I published [an article calling on the Trustees to remove Provost Robel and return her](#) to the job of being a law school professor, though one might reasonably question whether she would be more responsible in that position than she has been as Provost.

*Students shared that Respondent promoted his website and blog in class, and linked to his social media accounts through his class, most obviously in that students **had to go directly to his personal website in order to access the required course information** and the textbook for the class.*

False, as explained above.

*Several shared that Respondent encouraged students to read his blog both by sending them to the same location to access course materials and expressly encouraging them in class to read it.*

False, as explained above.

*And students shared that Respondent would routinely speak about and opine in class on a wide range of topics **they perceived to be well beyond the scope of economics**, such as controversies surrounding him personally, religious quotes, commentary on certain protected categories, etc.*

They are students. One of the points of my class is to explain how economics, game theory, law, and political science can be used to understand many things in the world that students might think were entirely separate subjects. This is a lesson economists are constantly trying to teach students. Indeed, in perhaps every subject taught in universities, one of the professor’s biggest tasks is to somehow convey to students that what they learn in one class applies to the real world, not just to the final exam, and that in the real world it won’t have a label like “economics 201 question” or “poli sci 310 question” or “not a question I ever covered in class”. My G406 course, in particular, is interdisciplinary and covers how to deal with organizations. I naturally tell stories from my own experience. Quotes from the Bible, the *Mahabharata*, Han Fei Tzu, Shakespeare, and so forth all can be useful to this. At the Kelley School, most courses are very narrow in view and students are used to thinking “inside the box”, and they are uncomfortable if an instructor goes beyond the multiple-choice, memorization, exam-problems-are-just-like-the-homework-problems style they are used to.



Coming from Yale, MIT, and UCLA, I was very much struck by this when I arrived at IU, and the problem has gotten worse, not better. This shuttered view is a problem for all students here, regardless of ability level.

*The university must balance taking any actions based on Respondent's statements with its interest in maintaining an undisrupted, fair and inclusive learning environment for students and place of employment for faculty and staff. It is clear that Respondent's statements **have created a disruptive environment for the KSOB, mostly for those students in his class where, for example, he discussed the controversy and the university's handling of it and required all students to ask him questions about it for participation credit.***

I do believe in discussing “the elephant in the room”, especially when the Administration has been telling my students I am a danger to them. I did not want to take up class time, however, so I told them we would do it by means of written questions and answers, in confidence so they and I could both speak frankly. Attachment A shows that somebody violated that confidentiality and send the questions and answers to the Administration to try to get me in trouble. I discussed the requirement to send me an anonymous email earlier: the question itself didn't matter— the assignment was to show that they could use the anonymous email service.

I would rather not have said anything at all to my students, but I felt that they were entitled to know what was going on, even if answering their questions might be dangerous to myself because confidentiality might be breached, and that I could not do this in a “live” question-and-answer session because they would be unwilling to criticize a professor to his face.

*They have also created **a disruption more broadly** for KSOB, as a whole, over the years, and for students and faculty in the Business Economics and Public Policy Department.*

There was considerable disruption, but it occurred because of the exaggerated response of the Administration. Rather than say, “our faculty have a right to free speech”, they chose to email thousands of people with false claims that one of their professors was a racist. Naturally, it is big news when a dean and provost claim that their institution contains dangerous racists.

*Moreover, while Respondent may have a right to say and write what he chooses online, he does not have the right to incorporate, or inflict, those ideas – where they treat protected classes in a negative or stereotypical manner - so clearly into the academic environment. Once he does so, his views adversely impact others in the university community; this is **the logical and reasonable outcome.***

Who wrote this? Is that your voice I hear, Provost Robel? I wish a Public Records request could answer that.

*In **his written statements to students** following the Twitter incident in 2019, Respondent spoke about how he was being treated differently based on his conservative viewpoints, and **that this his comments are protected speech.** It is important to clarify that **we do not find** that Respondent has engaged in discrimination based on merely presenting viewpoints and discussing controversial topics within the class related to business and economics.*

This statement cuts off the Investigators' arguments at the knees. If what they

claim is true, why are their examples either (a) controversial topics within the class related to business and economics, or (b) controversial topics outside the class and unrelated to it?

*Rather, the recommendation of a finding of discriminatory conduct arises out of those instances where Respondent **has treated students differently based on protected characteristics,***

That is false, because not one story in this report has demonstrated I discriminated against anybody. No— the recommendation arises not from claims I have “treated students differently” but from claims that students *feel* I *might* treat students differently. They are based on claims of perception, not on reality.

*and spoken about **individuals** based on their protected characteristics,*

No, the allegations are that I spoke about groups, and people in the group *felt* that it applied to them personally.

*in disparaging and discriminatory ways. As the evidence set forth above shows, this has occurred both through his written and spoken words in class, as well as through his online platforms, **with the latter being linked directly to his classroom materials.***

Again, this is a lie.

*The university’s policies require us to examine whether Respondent’s conduct has interfered with or limited an individual’s ability to participate in or benefit from the university’s education or work programs or activities, or whether there has been an adverse impact on the academic environment. We conclude that Respondent has created an environment where students reasonably perceive that Respondent views certain individuals less favorably than others based on protected characteristics, leading to a hostile environment that for some created unequal access to education. As such **we recommend a finding that Respondent has engaged in discriminatory conduct in violation of UA-01 and UA-03.***

***Respondent’s comments to faculty members:***

*Both male and female faculty noted comments by Respondent to others within the department, particularly regarding the physical appearance of women and his views regarding women’s clothing choices (particularly women who wore dresses). As one male faculty stated to express his sympathy for his female colleagues, **“it is clear on a subjective level [Respondent] does not like women.”***

How is that clear? It’s ridiculous. Has this “male faculty” person ever seen me interacting with women except with faculty? Has he seen me interact with women in social events, or at church, or at professional meetings with other economists or law professors, or with students in class or in office hours?

*Respondent’s comments to female faculty members regarding appearance were unprofessional and unwelcome. He also routinely introduced controversial, gender-related topics into the workplace without regard for his position of power over junior faculty who felt unable to express their discomfort or indicate that Respondent’s anti-female discussion topics were unwelcome and hampered a collegial and professional workplace. Male and female faculty alike expressed their perspective that, based on Respondent’s own actions and statements, he is biased against women.*

Does this mean one male and one female faculty member, or more? So much of this report is innuendo: “People say he...”, without saying who says “people” is, or why, or whether their vague conclusory statements have any basis in fact.

*This was reinforced in his November 2019 Twitter statement about geniuses and women in the academic environment, which he expressly raised again in a departmental meeting, restating the message from his Twitter account while directing his attention solely towards a female faculty member.*

I would need more details to remember this. What was the context? Was I answering a question from that female faculty member? What was the meeting about? I don’t think we had any formal “faculty meetings” after November 2019, so this must refer to some informal gathering.

*Faculty expressed their ongoing frustration and concern that Respondent’s statements and comments regarding controversial topics often focused on topics related to protected classes, and that these statements and comments were regular occurrences. **Some junior faculty described being fearful to speak up for concern of negative effects on their career progress, and declined to be identified as complainants, making further pursuing this aspect of the investigation difficult.***

It’s difficult for me too, when this report uses anonymous innuendo. Do these vaguely specified “feelings” have any basis in fact? Could it be that someone—Professor Harbaugh perhaps, who tried but failed to get me censured by the Alliance of Distinguished Faculty—told the junior faculty members that I was biased, himself creating the worry for which I am accused?

*It is worth noting that Respondent’s past statements about women (particularly the tweet about women’s IQs) are well-known, as described above, and that **those statements have reasonably and rationally contributed to the perception by Respondent’s female colleagues that Respondent has an inherent bias against them.***

Notice the words used here. “Statements” have “reasonably and rationally” “contributed” to a “perception”. There’s not a single definite agent or substance in that sentence. It’s perfect bureaucratese, as is so much of this report. What it is *not* is “reasonable and rational”. I would ask my accusers whether they think that it is permissible for a public university ever to hire a conservative or a Republican. I think they would answer, “No” if they were truthful. If they say, “Yes”, then I would ask how they reconcile that with the idea that anyone who utters a conservative statement should be censured.

*The evidence supports the existence of an intimidating and offensive working environment, as experienced by female faculty and **faculty of color,***

We have no black or Hispanic faculty in my department. Does this refer to the two female East Asian professors and the two other female professors? (I imagine being Turkish or Persian/French don’t count.) It might be interesting to inquire into who in the department most supports hiring foreign faculty, and who prefers Americans because they fit in better. The result might surprise you.

*but also as perceived by some male colleagues, based on what they perceived as inappropriate and*

*unwelcome comments directed to, or about, females in the department, coupled with Respondent's ongoing commentary and discussion, in departmental settings, about **topics that minimize or insult** those in protected categories. While not a direct supervisor, Respondent does have the ability to exert influence over women and minorities based on his stature in the department and role in hiring, tenure and promotion processes. **Because he has this powerful role,***

*We see here another basic (and embarrassing) misuse of the English language. "Topics" can't "minimize or insult" people. "People" insult people. The words are used this way to distract from the fact that not one shred of evidence has shown that a real person— Eric Rasmusen— has "minimized" or "insulted" any other real person, student or colleague.*

*Formally, my "powerful role" is the same as any other full professor, or, for tenure decisions, any associate or full professor; or, for hiring, any assistant, associate, or full professor. To be sure, I am one of the two oldest and best-known scholars in the department, but that is not a "role", though it means that some people will give my opinions more weight.*

*it is reasonable to conclude that his conduct has created an intimidating and offensive work environment for some faculty and interfered with or limited their ability to fully participate in, or benefit from, the academic workplace and departmental activities.*

#### **Recommendation**

***We recommend a finding of discriminatory conduct** by Respondent due to the documented effects of his conduct in the classroom, reinforced through his online written statements which students have been directly exposed to, due to the manner in which Respondent established access for course materials. With such a finding, we also recommend sanctions appropriate to ensure that students receive equal treatment and access to education and that students are not forced to participate or interact within an environment where they may reasonably feel discriminated against, especially as business economics students. **We recommend that Respondent receive clear instruction** in regard to appropriate conduct and behavior in the classroom and the academic environment<sup>18</sup>; **that Respondent be prohibited from linking any component of his university teaching to his private website**, or otherwise linking to or promoting his blog and other online platforms through his teaching materials, syllabi, textbook, or assignments;*

*and **that Respondent's courses not be the only option for any required courses** for students, thereby giving students who do not wish to take his class, but still complete the degree program, another alternative; and that consideration be given to whether graduate students should be required to have Respondent supervise their progress in any way, **including being assigned to committees that make decisions on student awards or progress or oversee or evaluate qualifying exams** or other graduate milestones. **Students should retain the choice to select the Respondent to serve on their dissertation committees** or serve as their advisor if they wish to do so, but the Respondent should*

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<sup>18</sup> Such instruction should include, at minimum, that Respondent shall not engage in conduct that singles out any individual on the basis of any protected class or perception of any protected characteristic, including but not limited to a student's gender, sexual orientation, race, religion, national origin, or his perception that a student identifies as any particular gender, sexual orientation, race, religion, national origin, etc.

not be assigned to those supervisory roles by the Department.

With respect to Respondent's conduct within the academic work environment, we recommend a finding of discriminatory conduct by Respondent and appropriate sanctions. To start, we recommend Respondent receive **clear instruction and warning** about unwelcome behavior and conduct in the academic work environment and their impact on colleagues and that he be clearly informed of future expectations regarding professionalism in the workspace and equitable treatment of all faculty regardless of any protected characteristics.<sup>19</sup> We also recommend that consideration be given to how to ensure that faculty in the Department, particularly junior faculty, are not required to interact with Respondent in a manner tied to their advancement in the Department. **Strong consideration should be given to whether Respondent should continue to be permitted to participate in departmental hiring decisions or have an evaluative role for junior faculty in the Department in terms of their hiring, tenure or promotion,**

The analysis above and recommendations herein **do not include consideration of the concerns articulated regarding other alleged misconduct** by Respondent, specifically concerning the **textbook purchasing process** he has utilized, as well as **issues related to the video recording** of the class and **other potential student privacy** concerns. These actions could be in violation of FERPA and university policies, including, for example, section A.III.8. of the Code of Academic Ethics (failure to comply with the directions of authorized university officials). **We leave to the Decisional Official consideration of those concerns along with any appropriate sanction(s).**

## Concluding Remarks

The Investigative Report is supposed to be about whether Professor Eric Rasmusen has engaged in discrimination against protected classes in his employment at Indiana University. Almost none of it is about that question. Rather, its focus is on Professor Rasmusen's Twitter posts, on his political beliefs, on perceptions of his political beliefs, on the feelings of students, and on students' conjectures about the feelings of other students in groups they think are very different from their own.

The conclusions are based on the self-contradictory statements of anonymous "witnesses." The Report does not even identify who the Complainants are supposed to be, much less name them. It ends with discussion of possible rule violations that are not remotely under the jurisdiction of the Office of Institutional Equity— rules about announcing textbook prices and videotaping classes. The evidence was not made available to Professor Rasmusen, just the Report with its paraphrase of whatever evidence the Investigators chose to include. He was not given an opportunity to ask his own questions of the witnesses, and he was told not to try to contact witnesses that might support his

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<sup>19</sup> See fn 18 as reference. This also includes, but is not limited to, **behavior that would single out female colleagues regarding their dress and hairstyle**, and behavior that would single out faculty based on their gender, race, national origin, etc.



side of the story.

The alleged hostile conduct involves no unwelcome attention or tasteless personal comments and constitutes entirely of inferred personal opinions, opinions that the witnesses inferred Professor Rasmusen had about general matters or about the witnesses due to statements made outside context of employment and university. But a hostile environment cannot be the product of personal opinions that do not translate into actual negative treatment of specific individuals. The Report fails to make any specific allegations of negative treatment of either students or colleagues.

# ATTACHMENT A: Confidential Answers to Student Questions

## Student Questions Answered

December 9, 2019

Eric Rasmusen

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If you'd like to talk next term after the class is over and graded, feel free to stop by. In particular, if you're the person who cited the article on the limitations of economics, I'd value learning more about what you thought about that article and about the approach of Week 1 of G406.

### 1. Why did you require that all questions were submitted anonymously?

The first reason is so you would learn to use anonymous email. That's something useful to know about. Very possibly, when the need for it comes up in your life, it will be some emotion-fraught and sudden need, and you won't want to take the time to figure out that it is possible to do it and easy to do it, so it's good to learn it now. This is why I asked everyone to send me a message, not just those of you with questions.

The second reason is so it would be easier for you to be honest about what you were wondering about, and easier for me to answer. This in turn has two parts.

First, if you ask me an uncomfortable question such as "Shouldn't you be fired for this?", you don't have to be afraid I'll grade you down in G406 or refuse to give you a law school recommendation or say bad things about you to other professors. And I don't have to worry about myself unconsciously doing any of those things.

Second, it's hard to ask and answer uncomfortable questions when both sides know who is asking them. It makes it too personal, on both ends. Most people don't like saying negative things to people they know personally, and don't like hearing them either. Anonymity makes it less personal, and easier on both sides. On the Internet this is generally a bad thing—a thing so bad that it's probably the major reason why so many people despise Twitter and why blog comment sections become clogged with useless, stupid, comments. If people on the internet were required to use their real names, civility would be restored quickly. In a situation like ours, though, you and I both want frankness and we don't worry about mere insult, so it is best to have anonymity. It's OK, though, if you do let me know who you are at some point and which were your individual questions, if you have some reason for that.

### 2. [of various questions] These are all questions that many of us expected you to address, but we did not get any answers.

The Lessons are Lessons that anyone in such a situation would benefit from-cold

objective lessons on how to confront enemies who wish to subdue you. They were about managing a crisis, not on whether you should have avoided a crisis in the first place, or whether the particular actions that cause a crisis are right or wrong. Those are interesting things to discuss also, but those are so individual-specific that I didn't think they would be worth discussing in class. Everyone in class should learn how to react if they themselves or a friend, relative, employee, or employer are attacked on the Internet for their beliefs. Not everyone will be attacked for being conservative or Christian.

**3a. Do you agree with your infamous retweet/quote?**

**3b. Furthermore, do you feel that every person who comes from a different background (be it a different race, gender, sexual orientation, religion, etc. than you is just as capable as you, and that they have a place in academia and any career they so choose?**

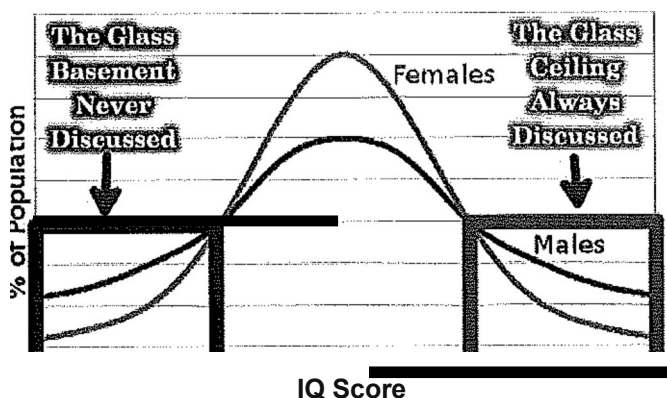
**3c. Do you feel the women in your classroom as capable as the men?**

The quote I tweeted said

"Geniuses are overwhelmingly male because they combine outlier high IQ with moderately low Agreeableness and moderately low Conscientiousness."

The indisputably true part of this is that "Geniuses are overwhelmingly male". Genius is defined in different ways, but it is generally agreed that geniuses are people with extraordinarily high intelligence. The broadest definition would be that anybody with an IQ over 140 is a genius. That is equivalent to somebody with a combined SAT score of over 1430, about 1 in 200 people in America. That definition is so broad that I would guess that all of the tenure-track BEPP faculty would count as geniuses, and many Kelley students too. Most people would use a narrower definition, where, say, 1 in 10,000 people would count as a genius, and it wouldn't be mere IQ, but also unusual creativity and perception. Whether we use the narrow or the broad definition, though, most geniuses are male. Does anyone deny that, or is it just they don't like it to be said? See, for example, <https://gz.com/441905/men-are-both-dumber-and-smarter-than-women/>.

One would expect geniuses to be more than 50% male, and more male the more narrow the definition, because even if male and female IQ's both average 100, as is true for children (though perhaps not adults— see <https://www.igcomparisonsite.com/SexDifferences.aspx>) A standard and as far as I know undisputed fact is that males have a higher variance than females, which implies that if the means are the same, there will be more male outliers both for very high IQ's and very low ones.



What I found interesting was the idea that geniuses had low Agreeableness and Conscientiousness, words capitalized because they are technical terms, referring to numerical scores on two of the "**Big Five**" personality traits, (The other three are

Openness, Extraversion, and Neuroticism.) Wikipedia puts it, "Low agreeableness personalities are often competitive or challenging people, which can be seen as argumentative or untrustworthy," and "Low conscientiousness is associated with flexibility and spontaneity, but can also appear as sloppiness and lack of reliability." I agree that it is quite plausible that geniuses in the sense not just of high IQ but of people with unusual perception and creativity tend to be nonconformists and rule breakers, though I also wouldn't be surprised if that turned out to be wrong.

I certainly don't think people who come from different backgrounds than me are exactly as capable as me, neither more capable nor less. That would be very surprising, wouldn't it? In fact, people from the same background as me aren't as capable as I am—it sounds immodest, but I wouldn't be a Kelley professor unless I were unusually capable in certain dimensions. Most people of Northwestern European descent who are heterosexual conservative Christian men are not as capable as me. Probably you are wondering more about group averages than about me personally, though, and I'd say that we have to be specific about which dimension of capability we're talking about, but it would be surprising if different groups had the same average abilities, whatever ability we look at.

One also has to be clear about which groups we are talking about. Question 3c asked whether I thought the women in my G406 class were as capable as the men. I haven't thought about that question, and I don't know the answer, either for the Fall 2019 class or over the years, so if there is a difference either way, it is not so big as to be obvious. We wouldn't expect there to be much difference, even if women and men generally had different abilities, since Kelley students are carefully selected for high ability, without, I think, bias against either men or women, so we'd expect the same high ability from both.

Note, too, that even though more geniuses are male than female, that doesn't say much, if anything, about men and women in general or men and women in G406. Geniuses are highly unusual, so knowing some fact is true about them doesn't tell us much about normal people.<sup>4</sup>

**4a. Do you think men are better suited for academia than women?**

**4b. In initial interviews when asked about whether you agree with the content of the "Are women destroying academia? Probably." article you mentioned that you haven't had time to go back and read it yet. Have you had time over thanksgiving break/ do you have time now? If so, what aspects of that article do you agree/disagree with?**

That's hard to say. Most men are not suited for academia, and neither are most women. To be suited for academia, one should love studying some subject and enjoy telling other people about it, and be willing to accept a much lower salary but much more flexible hours than in alternative jobs. I think men are more apt to like to obsessively hunt after discovery, but less apt to enjoy teaching. Men are probably less willing to accept low salaries, and put less value on flexible hours. So perhaps women are better suited to academia. It depends mostly on the individual, though.

I actually didn't have time to read it again till now, but I meant to eventually so I'm happy to do it now to answer question 4b. On reading it again, and the sequel which came out by the same author at Unz Review on December 7, I do agree with lots of the content, though I think the title is hyperbole---deliberate exaggeration to get attention. It certainly is true that our female administrators at IU— Provost Robel and Dean Kesner— had a highly emotional response to my genius quote that focussed on the emotions they felt rather than on truth, and they have a strong distaste for disagreement, individuality, and nonconformity, which the article argues is the problem with female administrators. I've known enough male administrators with the same features, though, to be a bit dubious that it's just due to their sex. I think it's possible that women are destroying academia—that women are more prone to the idea that even if something

is true, you should prefer falsehood if it will avoid offending people—but it is too simplistic as an explanation for academia's problems.

**Sa. What are some of the limitations of your lessons learned? I.e not all of us will be able to use tenure as a defense, and not all of us will work for the government or some government funded entity.**

**Sb. If a typical employee at a for-profit business had tweeted or blogged the same ideas that you have expressed they would likely be fired. How would this "crisis management" process differ for someone in a university setting compared to a typical business setting? Why should it be different?**

**Sc. A few times in class you have mentioned that a university like IU may be willing to pay a lot of money to a tenured professor to get them to "go away." Has this been offered to you and if it was, would you ever consider it?**

Academia is special, of course. It is like the government, with its civil service protections, and like a union job. Professors, government workers, and factory workers won't get fired for their political opinions, though it may block their promotion. Probably most jobs are like that, though. You are thinking of a particular sort of job: being an employee at a company where the boss is intolerant of opposing political views or where the company is worried about public relations and is willing to fire otherwise valuable employees if their views would offend important customers or clients or their co-workers. Many IU students will go to work for such companies.

The same lessons learned will work for them, though, except that they are less likely to lead to success. Any employee who is threatened with being unjustly fired has some power against his employer. He can make the employer look bad. If the employer wants to fire him to please client X, he can threaten to make a fuss that will make client Y dislike the company. He can disclose facts about the company that will make it look bad to everyone, if they treat him badly—and if he knows some game theory and realizes the power even he, a lone individual, has. The basic principle of the Lessons is to take steps to neutralize the attacks against you and to show those with power over you—notably, your employer—that if they try to hurt you, they will be hurt too. The main difference in a job with a big corporation is that if you want to succeed, you will be well-advised to conceal your political views, whatever they are, or at least conform to what your boss likes. That is one of the reasons corporations pay higher salaries than academia—you have to worry more about pleasing your boss by agreeing with him.

**6a. When handling your twitter controversy you never apologized. Do you not see benefit in acknowledging others worries and then responding? You seem to take great pride in your own "lessons learned" but fail to learn from other's lessons in this area.**

**6b, In regards to our assignment to ask you a question via email, the first question that came to mind was why you haven't seemed remorseful in any of your responses to the criticism you received. Correct me if I am wrong, but I don't believe I have seen or heard "sorry" at all.**

**6c, Your comments greatly impacted the ability of students in our classroom to feel safe and comfortable, and made several of us feel targeted and attacked. Do you understand the impact this had on all of us, and do you feel remorseful for making many of us feel targeted or uncomfortable?**

**6d. Do you understand why women or gay people may feel uncomfortable taking a class taught by you because of the views you have espoused on twitter along with the views on your blog over the last ~15 years? Aside from blind grading, do you think there are other steps that you could take to alleviate their concerns?**

I have no reason to feel remorseful. All I did was tell the truth, give my opinion, or pass along an idea. If some people are offended when they hear someone disagree with them, that is a character flaw on their part, and it is good to get them used to



hearing dissenting voices. I myself am quite used to hear people saying things I think are highly offensive. It happens much more to conservatives than to liberals, since the press is liberal, and academia is almost uniformly liberal. I think much of the problem is that liberals never meet conservatives, and do not know much about other peoples and times, and so they are dismayed when meet with opposing opinions.

There is no way to alleviate such concerns, since the intrinsic problem is differing worldviews. Those who are offended by conservative views will only be happy if they become accustomed to hearing such views or if they are allowed to suppress them completely, which means avoiding half their fellow Americans, most foreigners, and practically all works written in the past.

It is a large part of the function of education to bring students into contact with new ideas that malrn them feel un com for ta ble . If students start with false ideas, coming into contact with true ideas will often have that effect. If students start with ideas which are true but which they take for granted and have never thought of why they are true, coming into contact with opposing views helps them understant themselves, by forcing them to think about why the other side is wrong. A college that gives no offense to its students is not educating them properly.

The question that should be asked about an idea of a fact claim is always "Is it true?", not "Is this idea offensive" or "Is the person making this claim on my side, or are they the enemy?"

#### **7. Is there anything about this event that you regret?**

Yes. I don; tlike it that several of my colleagues in BEPP have sent me nasty emails, that I had to worry about my family's security, or that the Dean and Provost have reacted in a way that dishonors Indiana University.

I've also made mistakes that I regret. I didn't answer the Provost's falsehoods about me immediately. I didn't ask for help, and I didn't accept help quickly. I wasn't able to make all my students think I could be relied on to treat them fairly.

#### **8. What is the most valuable lesson you feel you have gained from this experience?**

The most valuable lesson is that when I'm in a crisis, I need to use other people's help. I need to ask for help, I need to tell people how to help, and I need to think about how to help other people even if I'm in trouble myself.

#### **9. How well or how poorly do you feel the Dean and Provost have handled this situation?**

The Dean and Provost handled this badly. They did not realize how transitory a Cancelling is, and how falsely the Internet depicts strength of feeling and the size of opposition. A few hundred Tweets and a few thousand Likes made them panic. On the scale of the Internet, with millions of people just in the United Sta tes and more overseas, even ten thousand is a small number. In fact, one person can generate that much traffic by use of computer bots. Even emails are easily faked. You should carefully weight what you see in trying to gauge public opinion.

Also, I think principle is more important than public opinion. College administrators should defend their faculty, even if they disagree with them. In the long run, this is the best policy, because you cannot expect loyalty if you discard your people whenever outsiders complain. If a professor has done no wrong, you should not criticize him just to agree with public opinion; if he \*has\* done wrong, you should make it right even if there is no outside pressure.

If the Dean and Provost had issued an innocuous statement about the private opinions of faculty and staff being their own business, not the univers ity's , it would

have come out better for them. They knew me personally, and knew I could not be bullied and was going to fight back. There was no point in starting a controversy and making it national news. It was the Provost's statement, in particular, that blew up the affair into an embarrassment for the university instead of an isolated case of an eccentric professor.

**10. In class, you have expressed that you have learned lessons on crisis management, but have you learned any lesson regarding how your opinions and thoughts affected those around you?**

Yes. People are far more intolerant than I thought, and incredibly self-righteous. Many people can't stand to be anywhere close to someone with differing views, even if those are views of the average American. They view many opinions as taboo, unclean, in a way similar to how a high-caste Hindu of the year 1900 would view having to eat at the same table as an untouchable. They do not seem to realize that most people in most times and places hold drastically different opinions from their own, and I can see how they would find reading works written before 1980 as offensive and so would never learn about the past.

**11. Furthermore, in many of your responses you have addressed your conservative, Christian viewpoints. I understand that your viewpoints come from that perspective, however I have many friends, family, professors, etc. who consider themselves both Christian and conservative who have never said anything to make me or the people around them feel targeted. My question then is, why do you seem to perceive this as an issue of liberal media bias against conservatives, when it is an issue of discrimination and bias through bigotry? I know there are conservative faculty who signed the statement about you, and there are certainly conservative people who find what you said inappropriate. What makes you validated in saying these things to defend "the conservative viewpoint", when many others do not feel that way? And have your viewpoints as a conservative or a Christian changed or evolved at all as a result of this incident?**

Are there really conservative faculty who signed the statement about me? Last week a couple of conservative students came to my office and said they had never met a conservative professor at IU. I think I know a few, but almost all of them are afraid to make their opinions publicly known. That is even true of most Christian professors. Conservatives are scared to talk. Even liberals are scared to talk about hot button issues like homosexuality, given the level of intolerance in academia.

You use the words "bias" and "discrimination" and "bigotry" in a partisan way. Try to be ideologically neutral in thinking about them. Doesn't my treatment show a strong bias against people with my views, a likelihood that the Administration would discriminate against them, and strong bigotry in the sense of "intolerance toward those who hold different opinions from oneself"? On the other hand, conservatives and Christians have to be tolerant to those of other views or who engage in immoral or ungodly behavior or who ignore God, because otherwise they would be in constant conflict with those with whom they work.

Think about the views that 90% of people held in 1960: that homosexuality was abnormal and to be discouraged; that men should lead and had a duty to support their wives; that adultery is immoral; that a desire to change one's sex was sick; that marijuana should be illegal, that unlimited immigration would be bad for the country, and so forth. Indeed, those views are) I would guess, still held by 90% of the people in the world— just not those of the USA and Western Europe. If someone has changed their views over the past 20 years in response to changing elite opinion, that person is not a conservative.

My own views have changed to the extent that liberals seem to be even more close-minded than I thought, and so there seems less reason to take their views seriously, since they are generally unwilling to argue for them beyond complaining

that they find opposing views offensive.

Note that many people, especially among educated people, label themselves as "conservative" when they just mean that they like relatively free markets and they think taxes are too high, even though their ideal presidential candidate is someone like Joe Biden and they are on the extreme left on social issues. Social issues are where you can really tell whether someone is conservative or liberal. If someone favors gay marriage, abortion, marijuana legalization, and unlimited immigration, they are not conservative, whatever they claim.

**12. I think your views are deplorable and would like to see the university fire you. I don't think you should be fired for your beliefs, I think you should be fired for the suicide jokes you've made in class, for the way you assume student's national origin, and for the way you mocked Asian student pronunciation of the word lawyer.**

I'm glad you had this chance to tell me how strong your views are. Don't hesitate to send anonymous notes to professors if you feel this strongly, so they can reflect on whether they've been wrong. See below on suicide. Firing someone for their guesses on a student's national origin is rather extreme, isn't it? I certainly don't recall mocking Harry for mispronouncing "lawyer". Was he bothered? Was it that I misunderstood him and said I thought he said some other word? If he did mispronounce it, then surely we can be forgiven for misunderstanding it.

**13. Additionally, I think you foster a rather jaded learning environment for students by failing to acknowledge the limitations of pure economic analysis. [https:// acton.org/pub / religion-liberty/volume-8-number-4 /limitations economic-way-thinking](https://acton.org/pub/religion-liberty/volume-8-number-4/limitations-economic-way-thinking)**

I may fail at acknowledging the limitations of economic analysis, but I think it's undeniable that G406 spends much more time on them than the typical economics course. Indeed, that's a principal theme in Chapter 1—the morality and such that economics misses. The course puts a lot of attention on politics and law, though it does use economic analysis to bring those into economic analysis. Maybe I should try harder, though. It is definitely an important topic highly appropriate for G406.

The Acton.org article is good, even though I think it is wrong on a number of points as I explain below. I might well use it as an end-of-chapter reading next semester. Some comments on particular passages:

**Claims that rent controls or protective tariffs promote inefficiency, if they mean anything definite at all, mean that rent controls and protective tariffs reduce the size of the potential Gross Domestic Product.**

Dead wrong. The article itself notes that economic welfare and "wealth", even when measured in dollar terms, is not at all the same as GDP. If people value looking at forests more than making lumber into furniture, "wealth maximization" requires that the trees not be cut down, even though that would increase GDP.

**For people with the appropriate values, the most efficient way to commute to work could be in solemn procession, carrying candles and chanting psalms.**

True, but we can't use that argument to say that traffic jams aren't inefficient, because we know that people \*don't\* value commuting slowly. On the other hand, we can say that funeral processions are very likely efficient even though they are slow and tie up traffic of other people who want to go fast—though it could go either way.

**Because economic theory explains the working of the invisible hand, it is in a very basic sense a defense of market systems.**



Other forms of marginalization, or "othering" of students simply because they identify with or are part of a particular group." I don't see how suicide relates to this.

**15. According to you, gay men should not be around children because children are susceptible to the inherent bad things that you believe gay men do. Additionally, in class you shared a story about students who took your class and may get married and then said that only a couple of male/ female pairs in the class could get married. You clearly showed your belief that same sex couples are not acceptable. Do you think I should submit a bias report for this instance? Again, for your reference, <https://studentaffairs.indiana.edu/student-support/get-help/report-bias-incident/index.html>.**

Again, I don't see how a bias report would be relevant as a response to a deduction you make from my use of an example of two people from the class who got married. If I mentioned a couple of male-female pairs in the class, I forget that. Of course, I \*am\* opposed to same-sex couples, as every Christian who believes in the Bible must be given Romans 1, but even if I'd said that in class, it wouldn't be the same as bullying a student.

In any case, I think the bureaucratic approach to faculty misbehavior is misguided. It is so ineffectual that I suspect it is an administrative attempt to pretend they are doing something while not actually doing much. A better approach would be this:

1. Immediately send an anonymous note or email to the instructor, if there is any chance they might change their behavior.
2. Contact another professor in the same department, or even in a different department, whom you know from a past class or interaction. Or, just pick some professor you think might be approachable and sympathetic. Get their advice, and ask them to speak to the offender.
3. Go with some other students to see the department chairman and ask him to help.
4. If none of this works, nothing is likely to work except for something like publicizing the offender's misbehavior in the student newspaper or in leaflets slipped under all the faculty's doors or something like that. The threat of doing this, though, might be useful at stages 1 to 3.

**END OF FILE**



# ATTACHMENT B:

## Scribes schedule

### SCRIBES

Each class, one or two students are appointed to be “scribes”. Their job is to record student participation. I will distribute the class seating chart so they know everyone’s identity.

The scribe will record a check mark next to the portrait of each person who says anything in class. He will circle the check mark if the person says something especially useful or says a number of things that put together seem worth the circle. He will record an X if someone talks too much or unhelpfully, and nothing at all if someone doesn’t talk.

Also, if someone says something especially noteworthy, write his name and a few words on the seating chart to help me remember it later.

I’m not expecting you to necessarily speak up and say something brilliant in class. My expectation is more that you will say something every two or three classes, and maybe two or three people per class will say something especially noteworthy, worth the circle around the check mark. The conversion from marks to participation grade will not be mechanical. I will use the scribes’ marks as a guide to my memory for how well someone participates over the semester rather than totalling them up and making that the grade. I expect most people will get a 3.3 (a B+) for participation, which is the mean for the class curve.

The scribe himself should circle himself, the same credit for saying something impressive, so he doesn’t have to both scribble and talk (though he is free to make comments anyway).

It’s fine to switch dates with someone if you let me know. If you are late or absent, I will assign someone else to be the scribe.

# ATTACHMENT C: Professor Rasmusen's written supplementary responses after the September investigative interview

September 10, 2020  
Eric Rasmusen

## **Supplementary Responses to the Investigative Meeting about Me on September 8, 2020**

Thank you for your consideration in finding a convenient time for a meeting. I'm glad Indiana University isn't as nasty as some institutions. If I was a bit distracted at the meeting, it's because only two days before I became involved in an academic freedom case at Taylor University, the Christian college in Upland, Indiana. Their top scholar, philosopher Jim Spiegel, was summarily fired in late August, despite being tenured, for refusing to take down a pseudonymous *Youtube* of a song called Little Hitler about human depravity.<sup>1</sup> The song, as you might expect, does not support Hitler in the least—it's about the classic Christian doctrine of original sin, and how there's a "little Hitler" inside all of us. I even wonder whether Professor Spiegel intended this as a booby trap for his notably unintelligent Administration, tempting them to spring it so he could get them removed after they'd demonstrated there was a little Hitler inside of them. I'm chair of the Indiana AAUP Committee A, which deals with academic freedom issues at the state level, so I contacted him. At IU we have Professor Timothy O'Connor, who is one of the best-known scholars nationally in Spiegel's area, philosophy of religion, and he may be rallying the philosophy community. I know an investigative journalist who is looking into it. Many students and faculty are sympathetic, and, of course, what the university is doing is completely illegal. Taylor University does not seem to have as many rules and procedures as Indiana University to

protect its faculty. It's curious, though, that you should bring up the picture of Hitler in Figure 1.2 of my course notes (discussed below). I do hope it's not that some administrator skimmed my notes and thought: "Picture of Hitler: he must be endorsing the Nazi Party".

It was good to hear that there were no allegations of anything severe enough to justify moving me from my office in Hodge Hall to an office far away in the next building. It wasn't clear to me what allegations there were, if any, actually, that would warrant an investigation. The January letter mentioned "harassing and discriminatory behavior towards students and employees in the academic and work environment, while a professor within the Department of Business Economics & Public Policy within the Kelley School of Business. Specific allegations include unwelcome comments based on race, sex, sexual orientation, and religion, which have created hostile academic and work environments," but perhaps that was just boilerplate. (I don't mean to be picky, but looking back, I see that the January 3 letter spells my name "Erik Rasmussen"—that's good Norwegian, but it's actually "Eric Rasmusen"; my father and great-grandfather preferred anglicized versions).

I'm perhaps a bit lengthy here, but I hope you'll excuse me. When I was up for tenure at Indiana University in 1993, my department voted unanimously in favor, the business school committee was 3-2 in favor, and the dean was in favor. The campus committee voted unanimously against, however, and I was turned down on the peculiar grounds that my student

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<sup>1</sup> See *The New York Post*, "Christian college fires professor for warning against hate with 'Little Hitler' song," Justin Lee, September 4, 2020, <https://nypost.com/2020/09/04/christian-college-fires-professor-for-warning-against-hate/>.

evaluations were low in my first year of teaching at IU, though I was known worldwide for my teaching because of my textbook being the leading one in game theory and my student evaluations had been fine at UCLA, where I'd taught for six years. I let the world know, generating from what I hear second-hand a lot of support worldwide from the scholarly community, and wrote a request for rehearing that was something like 20 pages along, and the Administration reversed itself without any need for a formal appeal. I heard second-hand that the IU President at the time thought my submission was overkill—but it did work, and sometimes it is easier to write something long than short.

The Hitler photo example is very apt for considering the present sad state of higher education. Some students perhaps have never been challenged by hearing something they disagreed with, so they can't understand why some people were Nazis or slaveowners, and have never thought about whether if they were running a society, someone like Hitler should be entitled to civil rights. In keeping with Professor Spiegel's "Little Hitler" song, most people can't seem to believe that if they'd been white Georgians in 1850 or the typical Bavarian in 1938 they would have been just as enthusiastic about slavery and expelling Jews as they are about the conventional views of the present day.

FIGURE 1.2  
PARETO OPTIMALITY



(a) Anderson



(b) Brown



(c) Corman



(d) Daniels

9


## Pareto Optimality

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A policy should be adopted if it makes:

- (a) some people better off, and
- (b) no one worse off.

Whose well-being should count when we define "some people" and "no one"?



I don't go into that in class, though, except to hint at the idea that people's views are largely determined by their culture. Rather, I use it after introducing the idea of Kaldor-Hicks welfare maximization with the example,

Anderson and Brown want a stricter arsenic regulation and would pay up to \$30 and \$70 to get it, whereas Corman and Daniels don't want it, and would require payments of at least \$20 and \$10 to balance out their dissatisfaction with the new regulation. Since supporters would pay \$100 and opponents would accept \$30, adopting the regulation maximizes surplus.

Students think this is obvious, so obvious as to hardly be worth mentioning, just something the professor is doing to be boring and pedantic. It is not, although it is the foundation of all economic analysis, and should be, for practical reasons I later explain. It is not obvious for a number of reasons, but the one the Hitler picture illustrates is that it evades the philosophic questions of "Who's welfare counts?" and "If someone had bad motivations, should his pleasure and pain still count?". Thus, although Anderson may be a standard human whose pleasure and pain should count ("Rasmusen", except for those who think I am like Hitler), do we count Adolf Hitler's feelings just as much as anybody else's? What about black slaves, who were treated as 3/5 of a free person for purposes of representation in the U.S. Constitution? What about cute dogs, who some

philosophers say have feelings just as valid as human beings’? I tell the students that these are crucial questions, and you could still do the economic analysis if you adopt unconventional answers to them, but we put them aside in economics classes and they’re a reason it’s useful to take some philosophy classes too.

I forget if I did, but I think I may have said that when I showed my Fall 2019 students how to use anonymous email (so as to feel safe from me and, more important, from the Administration, in asking me questions about the Provost and Dean’s denunciations) that I used an article my most vociferous anonymous student critic asked for the spring 2020 readings. I think I didn’t, actually—looking at my course materials, I have it in the “Also good” folder and not in the five supplementary articles or the two that were required reading.<sup>2</sup> ) I might use it for the published form of the book, though probably not. It’s a good article, on this same point—which makes me feel disappointed in myself, because the complaining student didn’t think I spent enough time on these issues, and perhaps didn’t even understand that that was the point of bring in Hitler, slavery, and dogs.

You asked me about whether people in my department felt constrained in what they could say to each other. I think they do. I haven’t felt anybody constrained in what they could say to me—as I said, we have vigorous disagreements, and, for example, one of our assistant professors even came to my office once specifically to talk about homosexuality and government policy--- but there is a definite atmosphere of fear when it comes to the Administration coming down on someone for their political statements. Free speech is as chilled as in Communist Eastern Europe before the fall of the Iron Curtain. Given that the Dean called one of the university’s top scholars racist, sexist, homophobic, and reprehensible, and the Provost called him vile, stupid, and bigoted, who wouldn’t expect that faculty and students at Indiana University are scared to speak? I have not talked about this with the junior faculty, because I do not want to put them on the spot. I, myself, am hardly likely to be a spy for the Administration, but it is not necessarily safe to voice your opinions even to someone who is sympathetic--- he might tell someone else what you said, through imprudence or inadvertence. But faculty nowadays are used to speaking very carefully on issues the Administration with which the Administration might disagree, at least if they are at

<sup>2</sup> (The article is “Limitations of the Economic Way of Thinking,” Paul Heyne, July 20, 2010, <https://www.acton.org/pub/religion-liberty/volume-8-number-4/limitations-economic-way-thinking#:~:text=The%20economic%20way%20of%20thinking%20has%20at%20least,dispute%20that%20last%20sentence%2C%20they%20are%20being%20disin%20genuous>.)

all to the Right of the Administration. On the other hand, in economics, at least, we have a culture of offering lots of comments on each other’s work, a seminar culture designed to test out a paper’s every flaw and find it and correct it before it goes to the anonymous referees--- or to kill the paper entirely, as has happened to many of my own paper that seemed like a good idea at the time but turn out to be energy sinks that ideally would have been killed after the first six months. We will have that, since most of our research is not on “hot-button” topics—though I think most of us would avoid hot-button topics for fear of persecution even if we thought we had a good research idea on something involving sexuality, race, abortion, etc.

Something relevant came up just today. Ibram X. Kendi has written this:



To love capitalism is to end up loving racism. To love racism is to end up loving capitalism. The conjoined twins are two sides of the same destructive body. The idea that capitalism is merely free markets, competition, free trade, supplying and demanding, and private ownership of the means of production operating for a profit is as whimsical and ahistorical as the White-supremacist idea that calling something racist is the primary form of racism. Popular definitions of capitalism, like popular racist ideas, do not live in historical or material reality. Capitalism is essentially racist; racism is essentially capitalist. They were birthed together from the same unnatural causes, and they shall one day die together from unnatural causes. Or racial capitalism will live into another epoch of theft and rapacious inequity, especially if activists naïvely fight the conjoined twins independently, as if they are not the same.

That is Marxist, of course, and not moderate Marxism, either. But it is from a book that the Dean of the Kelley School of Business just recommended that all faculty and students read and learn from:

Sep 10, 2020 at 1:45 PM

Dear Kelley faculty and staff,...

Each month, I will announce a selection that students, faculty, and staff are encouraged to read, watch, or listen to on their own.....My selection for September is the book **“How to Be an Antiracist”** by **Ibram X. Kendi**. It is available as a [free e- book](#) through IU Libraries. While this initiative is not required for students, faculty, or staff, I hope you will encourage participation. I know many faculty members have their own innovative ways to connect with students. Here are a few suggestions from some of your colleagues:

Promote this month’s selection and panel discussion in class announcements Share posts about The Commons from Kelley’s social media

If the selection is a film, host a virtual “watch party”

Let students know if you’re participating; students like to have shared experiences with faculty

Consider how the selection may tie in with what you’re teaching during the month If you have opportunities for extra credit, consider including participation in The Commons as an option

Encourage student organizations to carry on the conversation in their groups I do hope you will join me in these discussions to further the conversation about the value of diversity in business and in our communities, and to help our students learn more about themselves and the society in which we live.

With Kelley pride,

**Idalene “Idie” Kesner**

Dean, Kelley School of Business

Frank P. Popoff Chair of Strategic Management

If faculty in the business school feel reluctant to speak their minds as a result of the Dean’s endorsement of books condemning capitalism as racist, we shouldn’t feel surprised. The attitude of the Dean, who has a yes/no vote on every tenure decision, will of course be much more important than that of any single faculty member. I am not submitting a formal complaint, but if anyone is criticizing me for my political views as a full professor, and implying that I am hurting the intellectual atmosphere because of my power and the relevance of my views for their area of study, I do hope that they will think about the bigger picture. I think Indiana University may have a hard time recruiting new faculty, given the way faculty here are treated.

At our meeting Tuesday, you asked about the atmosphere in my department, Business Economics and Public Policy. It is generally collegial— though as I perhaps mentioned, three of the non-tenure-track faculty attacked me severely in public emails to the department last fall, saying, for example, that my rather conventional if conservative church was “a cult”— we did have some unpleasantness a couple of years ago. We were searching

for a new PhD to hire, and followed the usual procedure: a three-person committee looked at the 100+ job market papers that were submitted, narrowed it down to 25 or so to interview at the annual economics meeting, did the interviews (with help from others in the department who were at the meeting), and selected some to fly out—I think about five that year, which is more than usual. They flew out, presented their papers, met with all the faculty in office visits, and the chairman invited us to send in our comments. At that point, however, it became strange. There was disagreement over how to rank the candidates, but we didn't have a meeting to discuss who to hire. Instead, the department chair, Jeff Prince, not only said he wanted to hire candidate X, but refused when asked to have faculty get together to even discuss it, much less vote. He said that as chair he had the right to hire untenured faculty unilaterally. He said he had delegated that to the three-person committee, consisting of the very prominent and “alpha male” Michael Baye, the Bert Elwert Professor of Business Economics, who, having been head of the department at Penn State, gives much useful advice to the chair, an associate professor who does not like conflict, and an assistant professor. He made the job offer, and rather than embarrass the department nationally, I acquiesced, after some strong words about uncollegial and unprofessional conduct. I complained to the Associate Dean and to the campus officer in charge (I forget her title), but they did the usual thing and supported the chair.

The next summer, however, the Associate Dean called a Kelly School of Business faculty meeting to have the faculty vote on school rules for hiring. She said that the school needed to have written rules saying that there would be a faculty vote for tenure-track hiring. Almost everybody at the meeting voted for the rule, which is, of course, almost universal among research universities. Michael Baye and Jeff Prince bravely put their hands up as No votes, but the rest of the faculty of the business school voted overwhelmingly for what was really a necessary rule given that Indiana University is supposed to have the usual degree of faculty governance that respectable universities have.

This came up again at a business economics faculty meeting later. I do not remember the details—it was the kind of unpleasantness one tries to forget in the interest of “forgive and forget”—but Chair Jeff Prince made some false statement about the affair, and I publicly called him out on it. It was a nasty confrontation, no doubt scaring the junior faculty, but we got back to normal relations fairly quickly, and I think he learned to be more careful and not try to pull tricks.

Academia has lots of stories like this. Between when I arrived in 1992 and 2016 or so, the department operated by consensus quite successfully, but I have to admit that trust in the chairman is less now. At the same time, while I do not trust him, Jeff Prince is a good chairman generally: he does the hard work, he has administrative ability, and he's a good scholar, though he had no appreciation for the idea of transparent and collegial decisionmaking and perhaps still does not.

The story of the disappearance of the Dalton Chair, which I held until summer 2019, is also interesting, but I will defer it till another day. The Daltons are still alive.

One final point. You asked about whether I'd posted course materials online, on <http://rasmusen.org>. I have. I bought that internet domain with my own funds sometime around 2003, after the University had attacked me for my weblog, and I have long used it for both personal and professional uses, since I pay for it myself. I used the Internet long before the University started doing so, finding it useful and convenient for my students, who do not have to sign in using the burdensome bureaucratic rules the University imposes. Of course, as you know, no faculty member is required to use the University internet course materials system, though I think sometimes administrators may forget that—but not needing to use it is something explicitly stated as a matter of academic freedom. I did post the course notes there with the Hitler-slave-dog example that I mentioned above. Dean Kesner did not seem to like it that I used my own domain. She mentioned that to me after the November 2019 controversy, and also mentioned that she did not like my idea of the course packet auction, so she is perhaps the complainant you mentioned at our Tuesday meeting; no student has ever complained, with the exception I will

shortly relate.

The exception was not actually at Indiana University, but at Harvard, where I was on leave 2015-15 as John M. Olin Faculty Fellow at Harvard Law School and Visiting Professor at the Harvard Department of Economics. I taught the same undergraduate course there as I do at Indiana University. As is my usual custom, I told the students that we would not be using a textbook, because I had searched and not found a text on government regulation that was very high quality, and the best of the bad lot cost something well over \$100, which I didn't want to inflict on them. Rather, I wrote up my own notes, which might eventually become a published book. I explained that the market for that kind of text was small, and it was a difficult subject on which to write a book because regulations are always changing, so nobody competent to write it had done so—they lacked the incentive of either money or reputation. I give out the first chapter, so they can get started on the reading, but then, in the first class session, I ask them what we should do to get them the rest of the chapters. This starts a discussion on the very theme of the course—how do we provide the right incentives to get the right people to exert effort that will help other people?

Typically, they first suggest that I, the instructor, make copies and provide them with the rest of the chapters too, not just the first. I tell them I'm too mean (jokingly—I hate to even have to put in this parenthetical caveat), and that they should already be grateful that I'm not making them pay for a commercial textbook like other instructors do. Someone will ask if they can just read it online. I say No—I, as an experienced teacher, think it's important that they have a hardcopy text, which they can underline, write in the margins of, and keep on a bookshelf after they graduate—even though I recognize that many of them won't do any of those things. Some will say that they can each print it out using their printing allowance. I say that this has two problems. First, I want each of them to have some pressure to actually do that and have the text rather than blowing it off, and I'd have to somehow be able to check that, and second, it would be a big waste of duplicated effort if each person had to print it off themselves, especially since they really ought to get it bound or punched into looseleaf folder form. This introduces the economic idea of “economies of scale”, which we may talk about for a bit. Then, someone will suggest that one person in the class print it off for everyone. “Who will do it?” I ask, “when he has to do all the work for everybody else, for no reward?” The response I hope for is “We could pay him,” to which my question is “How much, and how do we choose who will do it?”. I talk about how I could randomly assign someone to do the work for everybody else, but I might accidentally pick the person in the class for whom that would be most difficult and awkward—an athlete with a game the next week, or someone taking six classes this semester, or who holds two part-time jobs, etc.

At length—hopefully not too soon, since this makes for a very good progressive discussion, point by point, someone in the class suggests that we have an auction and see who will sell the course packet at the lowest price. I jump on that and say, “Yes, that's exactly what we'll do.” I explain that this will reveal who has the lowest effort cost and who can figure out the cheapest copyshop, or who would like the experience the most, or who needs to earn some extra money by making a profit on the sales. I lay out very specific rules for submitting bids—the exact kind of binding for the packet, and so forth—and tell them that each must submit a bid, as a course assignment. They can easily deduce that if they don't want to have to sell the packet, they can bid \$1,000/packet and they will lose the auction and not have to fulfill the contract. What almost always happens (always, maybe?) is that half the people in the class submit crazy bids like that, intending to lose, most of the rest submit bids on the order of \$50/packet that they know will probably lose, and a few of them submit low bids on the order of \$20 having carefully researched various copyshops and strategized on the tradeoff between a low bid with greater chance of winning and a high bid with more profit but lower chance of getting that profit. Then, in the next class, I teach them about the efficiency of the market in eliciting information as to who can most cheaply produce goods and who most needs the revenue from doing so.

At Harvard, it worked out differently. The Harvard students are very smart, but they do not have quite the business sense of Kelley students—at Harvard, they were economics majors, because there is no business

major, and their interests are much more on extracurriculars (theatre, intramurals etc.) than on coursework, compared to Kelley. The girl who won offered too low a price. She discovered that she was going to lose money. I offered to split her loss using my own wallet, but said that losing money was an even better learning experience than making money. She acquiesced, but then I got a call from the Chair of the Economics Department, an old friend of mine from our days at grad students at MIT. He told me someone else—not her—had complained to the Dean of Students, who had complained to him. “At Harvard, Eric,” he said, “it is not allowed to ever have students lose money. Make it go away!” And so I went to the class and said I’d pay for all the copying myself.

This story is a great help, because I tell it to my students at Indiana and it teaches them something crucial for their business careers. I can make them feel good about being Kelley students instead of Harvard snowflakes who don’t have any business sense and who complain if they get themselves into messes. And then I ask my Kelley students for the moral of the story. It’s important: the moral of the story is, “If you go to Harvard and you lose money in your business, you’ll get bailed out.” That’s what the Harvard students learned from the experience, and it’s important that Indiana students realize that without the clout of the Ivy League, they should rely on their own ability and judgement rather than expecting their connections in government to make their businesses profitable.

I’ve been meaning to write up this story for a while, so I’ve taken this opportunity. I might try to publish it in some “Teaching economics classes” journal, since it’s a good teaching tool.

Those are my thoughts on this matter. I am available if you have any further questions.

# ATTACHMENT D:

# Syllabus

(note that this is exported from HTML and so is full of odd formatting)

"Business Enterprise and Public Policy," G406  
Fall 2019

[\(slides\)](#)

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This course teaches how to apply the tools of economic reasoning to a variety of topics in which businesses create or react to public policies. The central ideas are surplus, rent-seeking, and incentives. Changes in economic surplus—consumer and producer surplus at its simplest—show who gains and loses from policies, and hence predicts how a business is most likely to react in the public arena. A policy is "efficient" if it maximizes the sum of everyone's surplus, and this is the benchmark for creating policy that maximizes social wealth. Rent-seeking is the attempt by different interest groups to use the political process to transfer surplus from other groups to themselves. Rent-seeking is one source of inefficiency. Any policy provides incentives as a result of its effect on surplus, and care must be taken that these incentives lead to the desired outcome.

Understanding how to apply these three ideas is a major objective for an economics education. The hardest part is learning how to apply them in different contexts, which is the aim of this course. In the course of so doing, students will also learn the facts involved in a wide variety of public policy problems in government regulation, ranging from antitrust laws to pollution regulation, public-utility pricing, labor policy, and the safety of consumer products.

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*Instructor:* Professor [Eric Rasmusen](#). Email: [erasmuse@indiana.edu](mailto:erasmuse@indiana.edu). Phone: 855- 9219. Office: Hodge Hall 3080H.

*Canvas:* <https://iu.instructure.com>; also <http://rasmusen.org/g406/0.g406.htm>.



*Class times:* Monday, Wednesday, 4-5:15pm in Hodge Hall, HH2049.

*Office hours:* By appointment— email me at [erasmuse@indiana.edu](mailto:erasmuse@indiana.edu) or use Canvas.

- ◆ *Text:* The text is the draft book at <http://rasmusen.org/g406/chapters/>. At the end of each chapter are citations to five "media clippings". I will assign two of these from each chapter. The list of readings with questions on them is at <http://www.rasmusen.org/g406/0.g406.readings.pdf>. This also has a tentative calendar schedule.

The grade will be calculated from problem sets (10%), a regulation comment (10%), participation (10%), 3 quizzes (20%), a midterm test (20%), and a final examination (30%). Do not pay any attention to the automatic grade computation in Canvas or its

curve; I will curve everything, including participation and problem sets. Canvas is just for finding your scores on tests and whether I have a record of you turning in assignments. You may turn in assignments late for partial credit.

Participation will make up 10% of the grade (for details see <http://rasmusen.org/g406/scribes.doc>) and will be graded at the end of the semester based on class participation, responses to minor assignments, attendance, helpfulness in class, etc. You will also complete a regulation public comment in teams of two. There are two homework problems to do for each chapter. I will check that you hand them in, but they are pass-fail. You may do them in groups, but each person should turn in his own copy.

I am happy to talk about the answers to test questions if regrading is not the subject, but if you think that something was graded wrongly, even something as trivial as that the points were not added up correctly, write me a memo.

Lecture slides are in the directory <http://rasmusen.org/g406/slides/>.

- ◆ *Laptops and Cellphones:* You may not use cellphones in class. You may use laptops. I do not mind if you multi-task: casually checking your email, looking at your schedule for the day, looking up a baseball score. I do mind if you single-task on something other than G406 that distracts the students behind you or shows disrespect. Thus, you cannot work on a paper assignment or play games.

## INTEGRITY AND HONESTY

The Kelley School's Honor Code is something you have all read. It is online at <http://www.kelley.iu.edu/ugrad/honorcode.cfm>. Living up to the Honor Code's integrity is not hard. Don't cheat, and tell me if you see somebody else cheating. I will take appropriate disciplinary actions against any offenders. Again: Do not cheat! I am strict about that, and have used the official procedures of the Dean of Students before. Cheating is immoral, whether or not you get caught, and despite the careless attitude of some departments at IU. Leave this course with your honor intact.

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Markets. [C](#) [chapter 1](#).

Market failure. [C](#) [chapter 2](#).

Government failure. [C](#) [chapter 3](#), [chapter 4](#).

Government design. [C](#)

Time and life. [C](#) [chapter 5](#).



Externalities. [C](#) [hapter 6.](#)

Conservation. [C](#) [hapter 7.](#)

Monopoly. [C](#) [hapter 8.](#)

Natural monopoly. [CC](#) [hapter 9.](#)

Information. [C](#) [hapter 10.](#)

Regulating labor. [C](#) [hapter 11.](#)

Telecommunications [C](#) [hapter 12.](#)

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URL: <http://www.rasmusen.org/g406/0.g406.htm>. [Indiana University](#), Department of  
Business Economics and Public Policy, in the [Kelley School of Business](#), 1309 East  
Tenth Street, Bloomington, Indiana 47405-1701, (812) 855-9219.

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# Other Detail

## S

*Learning Goals.* The business school accreditation people like professors to put on their syllabi linkage to "Learning Goals" in the style of Schools of Education. This course helps with BEPP Learning Goal 1, An Integrative Point of View, because students will have to use various finance and accounting concepts such as the CAPM, efficient markets, depreciation, balance sheets, present value, and weighted average cost of capital, and lots of other economics. It will help with Learning Goal 2, Ethical Reasoning, because students need to differentiate between the goals of themselves, their employers, and the public interest, and will learn to detect hypocritical and self-seeking policies. It will help with Learning Goal 3, Critical Thinking and Decision Making, because it's all about predicting the effects of different policies and piercing fake reasons and reasoning. It will help with Learning Goal 5, Quantitative Analysis and Modeling, because it shows how to analyze real-world situations using models.

*Learning Outcomes.* What students will learn in this course is how to think logically and follow a sequence of reasoning, how regulations are made and carried out, how they should be made and carried out, and their effects on people and businesses.

*Standard Kelley Notice:* Portions of this course may be subject to electronic proctoring. Video cameras may be used to monitor the room during student assessment activities, including but not limited to, exams, tests, and quizzes. Video recordings may be used to investigate or support disciplinary action. All access to and use of video equipment and recordings will follow applicable IU policies.

*Standard IU Notice:* As your instructor, one of my responsibilities is to help create a safe learning environment on our campus. Title IX and our own Sexual Misconduct policy prohibit sexual misconduct. If you have experienced sexual misconduct, or know someone who has, the University can help.

If you are seeking help and would like to speak to someone confidentially, you can make an appointment with:

The Sexual Assault Crisis Service (SACS) at 812-855-8900  
Counseling and Psychological Services (CAPS) at 812-855-5711  
Confidential Victim Advocates (CVA) at 812-856-2469  
IU Health Center at 812-855-4011

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# ATTACHMENT E:

## Article Readings

(note that this is exported from HTML and so is full of odd formatting. )

### G406 Readings, Fall 2019

August 26, 28. Markets. Chapter 1.

[“Free Market Food Banks,”](#) Alex Tabarrok, *Marginal Revolution*. What does Feeding America do? Why did the auction system work out so well for Feeding America? Why are negative prices part of the Feeding America system?

[“Adam Smith and the invisible hand,”](#) Helen Joyce, *+Plus Magazine*. How do markets make people think about other people’s desires instead of being entirely self-centered? How does the Invisible Hand relate to the Prisoner’s Dilemma? Why did Adam Smith think that a benevolent deity was compatible with the Invisible Hand?

September 2. no class.

September 4, 9. Market failure. Chapter 2.

[“Limitations of the Economic Way of Thinking,”](#) Paul Heyne. Why is Gross Domestic Product not the same as Gross Domestic Welfare? Why does Heyne mean when he says, “We have come to reside primarily in communities of exceptional thinness”? Heyne says that the market system tends to displace the family, the church, and the neighborhood. What market failure results from the replacement of these cooperative institutions by market transactions?

[“Against Intellectual Monopoly,”](#) *Marginal Revolution*. What is one of Boldrin and Levine’s three reasons why patents are more important than copyrights? What’s wrong with saying that if a tax is imposed on a million-dollar lottery, it won’t affect the number of people who buy lottery tickets? Why is a discovery prize a substitute for a patent?

September 11, 16. Government failure. Chapter 3.

[“Agencies can’t always tell who’s dead and who’s not, so benefit checks keep coming,”](#) *The Washington Post*. About how much does the federal government lose each year in fraud by people cashing checks for dead people? Why do you think the data from the Death Master File were made public? What are the implications of data privacy for illegal immigration?

[“Six-Figure Bus Shelter Stirs Cries to Stop It,”](#) *The Wall Street Journal*. Why did the Department of Transportation hire a consultant for \$140,000? What was the effect of the art regulation? Why was the town of Grants Pass willing to buy such expensive bus shelters?

September 18, 23, 25. Government design. Chapter 4.

[“Frustrated State Department employees hire attorneys, charging ‘political retribution’ ”,](#)

CNN. Why are some State Department employees frustrated? What are arguments in favor of and against the Secretary of State being able to reassign employees he thinks are not supporting his policies?

“Scandal Serves Up a Civics Lesson — Bell Officials’ Arrest Turns Shaken California Town Into a Hive of Community Activism,” *The Wall Street Journal*. What was the per capita loss from city government fraud in Bell? How was it that Bell residents didn’t know that the former city manager was paid \$800,000 a year? The idea of “city managers” is for the city to hire a professional manager who is non-political and less prone to corruption than a politician— why didn’t that work here?

September 30, October 2. Time and life. Chapter 5.

“Sustainability and the Discount Rate: An Economist’s Perspective,” Randall Pozdena *Oregon State Bar: Sustainable Future Section*. What is the “revealed preference” view of choosing a discount rate for government policy? Why should the government use a positive discount rate at all? What do you think of Lord Stern’s choice of a 1.4% discount rate?

“The Value of a Statistical Life is Not the Value of Life,” *Economist’s View*. Why does Professor Thomas say, “The Value of a Statistical Life is Not the Value of Life”? Is every life priceless? Why is the value of a statistical life lower for an old person?

October 7, 9, 14. Externalities. Chapter 6.

“A Carbon Tax Is Not A Slam Dunk,” David Henderson, *Hoover: Defining Ideas*. What does Professor Henderson say is the best thing about carbon taxes as a way to reduce carbon dioxide? What is the problem with methane and carbon taxes? What do you think is the best of the three reasons he gives for why he changed his mind about carbon taxes?

“Abolish Drunk Driving Laws: If lawmakers are serious about saving lives, they should focus on impairment, not alcohol,” Randy Balko, *Reason*. Why does Professor Balko think drunk driving laws should be abolished? How would you decide, if the law is retained, what blood alcohol level should be permitted? Why after 2000 did the .08 standard cause fatalities to increase, instead of to fall as expected?

October 16. Midterm

October 21, 23. Conservation. Chapter 7.

“The American Recycling Business Is a Mess: Can Big Waste Fix It?” Claire Groden, *Fortune*. What does “Big Waste” refer to, and why would it have anything to do with recycling? What regulations should “Big Waste” lobby for if profit is their only incentive? Why are low oil prices bad for “Big Waste”?

“Recycling: Can It Be Wrong, When It Feels So Right?” Michael Munger, *Cato Unbound*. Why does Professor Munger object to recycling green glass? What is his distinction between “garbage” and “resources”? What is the difference between the “moral duty” and the “economic” perspectives on recycling?

October 28, 30. November 4. Monopoly. Chapter 8.

“\$54B Deal Will Spawn Daunting Anthem-Cigna, Expert Says,” *Law360*. How does the hypothetical monopolist test apply to the Anthem-Cigna merger? Why does the government think it’s bad that the merged company would be able to reduce payments to hospitals? Since employers could make deals directly with hospitals to avoid paying an insurance company to do it, why would a merger cause any concern to them?

“EU to Fine Truck Makers over Price-Fixing and Other Collusion,” *The Wall Street Journal*. How much higher are the fines in this case than in the second-largest ever European antitrust case? Why aren’t the Volkswagen companies making provision for paying antitrust fines? Why would damage payouts be a large amount?

November 6, 11. Natural monopoly. Chapter 9.

[“Who’s Afraid of Comcast?”](#) Jack Shafer, *Reuters*. Why is there so little competition among cable TV companies? What is Google’s strategy? At \$4,000 per subscriber present value, what is the annual value of a Comcast customer?

[“Price Caps, Rate-of-Return Regulation, and the Cost of Capital,”](#) Ian Alexander and Timothy Irwin, The World Bank. What is the beta of a company? What are typical betas for public utility companies? How does rate of return regulation differ from price cap regulation?

November 13, 18, 20. Information. Chapter 10.

[“Why the Newest Sunscreens Still Haven’t Hit the U.S. Market,”](#) *The Washington Post*. Why haven’t the newest sunscreens hit the U.S. market? What has the FDA preferred to do about sunscreens instead of approving new ones? Why couldn’t unanimous Congressional Republicans and Democrats get the FDA to take action? [“The Skeptical Consumer - How Behavioral Economics Can Influence the Adoption of Self-Driving Cars,”](#) Doug Salvemini, *Fox Business*. How do control and risk interact in a cognitive bias against driverless cars? How could negative framing be used to encourage adoption of driverless cars? Why will the availability heuristic create a bias against adopting driverless cars?

November 25, 27. Thanksgiving break.

December 2, 4. Regulating labor. Chapter 11.

[“The \\$6-an-Hour Health Minimum Wage,”](#) John Goodman, *National Center for Policy Analysis Health Policy Blog*. What does John Goodman mean by saying there is a \$6/hour health minimum wage? How is the effect of mandatory health coverage different for low-income workers than for medium-income workers? Goodman asks “Can you think of another explanation for the ACA?” What is he talking about?

[“Why Should Stage Hands at Carnegie Hall Make \\$400,000?”](#) Susan Adams, *Forbes*. Why shouldn’t stage hands at Carnegie Hall make \$400,000? Is their high income due to their being good negotiators? Is their high income any different from the high income of major league baseball players?

December 9, 11. Telecommunications. Chapter 12.

[“Regulatory Warfare Ensnarers the Wireless World,”](#) *The San Francisco Examiner*. How is telecom regulation like land zoning? Why was Mr. Falcone able to buy LightSquared so cheaply? Is it true that Verizon and ATT were “using regulation to crush smaller competitors and take away consumer choice”?

[“‘Neutrality’ for Thee, But Not for Google, Facebook and Amazon,”](#) *The Wall Street Journal*. Why does the author say that Google’s own practices violate the principle of net neutrality? How do Google, Apple, and Amazon have power over Internet users? What kinds of market failure are behind the statement that “the implications are frightening”?

December 16 (Monday). Final exam, 5-7 p.m.