

IN THE COURT OF COMMON PLEAS
PHILADELPHIA COUNTY, PENNSYLVANIA

PENNSYLVANIA MANUFACTURERS' :
ASSOCIATION INSURANCE :
COMPANY, : CIVIL ACTION
Plaintiff, :
 : NO. 004126
V. :
 : JANUARY TERM, 2012
THE PENNSYLVANIA STATE :
UNIVERSITY and JOHN DOE A :
Defendants. :

January 14, 2015

Videotaped deposition of
KAREN PEETZ, held in the offices of BNY
Mellon , One Wall Street, New York, New
York 10286, commencing at 9:12 a.m., on
the above date, before Margaret Peoples,
a Registered Professional Reporter and
Notary Public in and for the States of
Pennsylvania, New York and Connecticut.

GOLKOW TECHNOLOGIES, INC.
877.370.3377 ph/917.591.5672 fax
deps@golkow.com

1 kind of evidence, if you will, of
 2 anything specific.
 3 It's just, again, I'm in the
 4 risk business, and usually when you have
 5 an issue like this of any kind, it means
 6 that people, you know, weren't doing what
 7 you would have wanted them to do.
 8 So that's the kind of
 9 statement it was.
 10 Q. While he's getting that
 11 document, Ms. Peetz, who is Dan McGinn or
 12 McGwin (ph)? I'm not sure if I'm
 13 pronouncing his name right.
 14 There's some reference in
 15 your documents to a Dan McGinn.
 16 Does that sound familiar to
 17 you?
 18 Let me see if I can give you
 19 the context.
 20 A. Yeah, give me the context --
 21 Q. Yeah.
 22 A. -- because the name sounds
 23 familiar, but I can't pull it up from
 24 where.

1 Q. Give me a moment.
 2 I'll move on.
 3 You sent a memo concerning
 4 him, and I just wasn't sure who he was.
 5 Let me put this in front of
 6 you.
 7 - - -
 8 (Whereupon, Exhibit Peetz
 9 183 was marked for
 10 identification.)
 11 - - -
 12 BY MR. ENGELMYER:
 13 Q. Ms. Peetz, I put in front of
 14 you what has been marked as Exhibit 183.
 15 It is a memo from you to a William
 16 Richardson that -- again, excuse me --
 17 attaches a memo from Ken Frazier to you
 18 and some others.
 19 And I'm happy to let you
 20 take a look at this, but let me just ask
 21 the preliminary.
 22 Who is Bill Richardson or
 23 William Richardson?
 24 A. He is a former provost of

1 Penn State, and he is on our board, BNY
 2 Mellon's board.
 3 Q. Oh, okay. Not on Penn
 4 State's board?
 5 A. No. No. He was the provost
 6 there many years ago. He went on to be
 7 the president of Johns Hopkins.
 8 Q. You say that, in your memo
 9 to Mr. Richardson, Attached below is the
 10 ESPN link for the article that I
 11 described to you.
 12 The article is attached, and
 13 I'm going to ask you some questions about
 14 it. It appears you got it from
 15 Mr. Frazier.
 16 Do you remember discussing
 17 that article with Mr. Richardson?
 18 A. If I look at the article,
 19 then I can --
 20 Q. Sure.
 21 A. (Witness reviewing
 22 document.)
 23 Okay.
 24 Q. So you've now had an

1 opportunity to read the article.
 2 A. Yes.
 3 Q. You're e-mail to
 4 Mr. Richardson says that, Attached below
 5 is the link for the article that I
 6 described to you.
 7 Do you remember that
 8 conversation?
 9 A. Yes. We had lunch. He was
 10 quite interested in -- obviously, because
 11 of his background with Penn State -- what
 12 was happening.
 13 Q. And what do you remember
 14 telling him or describing to him about
 15 this article?
 16 A. We talked -- because he had
 17 been there, and he had a love for the
 18 place, certainly the way I did. But he
 19 talked about kind of what could have led
 20 to this situation.
 21 Q. And do you remember anything
 22 other than just describing what the
 23 article said when you discussed it with
 24 him?

Page 130

1 A. I actually don't remember
 2 discussing with him the article. So I'm
 3 kind of surprised that it says, you know,
 4 that here's the link and all that.
 5 So I don't remember the
 6 article being discussed.
 7 Q. These are your words, not
 8 mine.
 9 A. Yeah. No, no. I just don't
 10 recall this, but I do remember having
 11 lunch with him.
 12 Q. All right. You say in the
 13 memo to Mr. Richardson, it's the best
 14 summation I have read of the factors that
 15 led to the horrible abuses we now know
 16 were inflicted on many children over many
 17 years in Happy Valley.
 18 Do you remember saying that
 19 to him?
 20 A. I remember that we had a
 21 discussion about how could this have
 22 happened, with his perspective having
 23 been there as part of the discussion.
 24 Q. Did you read this article

Page 131

1 when Mr. Frazier sent it to you, it looks
 2 like, on or around June 23rd?
 3 A. Yes.
 4 Q. Did you agree with the
 5 article when you say, it's the best
 6 summation I have read?
 7 MR. MILLER: Objection.
 8 MS. ROMAGNOLI: Objection.
 9 THE WITNESS: Yeah, I can't
 10 say I said, you know, point for
 11 point that, oh, yeah, I agree with
 12 this, I agree with this.
 13 I just thought it was a very
 14 interesting way to frame, you
 15 know, how could this have
 16 happened.
 17 BY MR. ENGELMYER:
 18 Q. Okay. Well, you described
 19 it as the best summation you have read of
 20 the factors that led to the horrible
 21 abuses.
 22 You had an opportunity to
 23 read the article, correct?
 24 A. Mm-hmm. Yes.

Page 132

1 Q. And, again, I'm
 2 paraphrasing, but it certainly sounds
 3 like the article is identifying the fact
 4 that the football culture, the icon that
 5 was Joe Paterno and the hesitancy of
 6 people to identify Sandusky as a
 7 pedophile emanated from this respect
 8 and/or reverence for the football
 9 program.
 10 Is that a fair reading of
 11 it?
 12 MR. MILLER: Objection.
 13 MS. ROMAGNOLI: Objection.
 14 BY MR. ENGELMYER:
 15 Q. And you can disagree, if you
 16 want.
 17 A. I mean, I -- I wouldn't have
 18 put it the way you put it.
 19 Q. Okay. Then correct me.
 20 What did you take from the article?
 21 You described it as the best
 22 summation. I'm just trying to understand
 23 what you meant.
 24 A. What I took from the article

Page 133

1 was that whenever you have something
 2 horrendous like this happen, in
 3 hindsight, there were factors and
 4 drivers, you know, not the least of which
 5 was a lack of understanding of what
 6 should be reported, when should it be
 7 reported, who should report it, et
 8 cetera, et cetera, and at the worst case,
 9 there were people who were aware.
 10 So that's what I felt was
 11 revealing about the article.
 12 Q. If I may draw your
 13 attention -- and, again, you can just --
 14 I know you probably haven't seen this
 15 article in a while.
 16 In the -- one, two, three --
 17 fourth paragraph, it describes, at least
 18 from the author's perspective, that the
 19 reasons why this happened were plain and
 20 simple, Joe Paterno, Penn State Football,
 21 there is no other reason.
 22 And, again, you can disagree
 23 with me.
 24 Is that what you took from

Message

From: Peetz, Karen [/O=EXCHANGE/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=PEETZ KAREN BC77]
Sent: 6/26/2012 5:24:42 PM
To: William Richardson (William.Richardson@kzoo.edu) [William.Richardson@kzoo.edu]
Subject: FW: Sandusky

Hello Bill,

Thank you for taking your time to speak with me today about Penn State and for your perspective about the way forward.

Attached below is the ESPN link for the article that I described to you. It is the best summation I have read of the factors that led to the horrible abuses that we now know were inflicted on many children over many years in Happy Valley.

As we discussed, once the Freeh report comes out I would love to connect with you about its contents. The cultural change that we discussed is bound to be the most difficult and most critical component for the community to achieve. Your perspective will be appreciated either in person around our next BNY Mellon Board meeting, or by phone from your holiday.

Stay tuned and many thanks for your thoughtful comments about the situation.

Best regards,

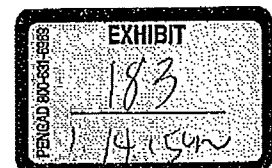
Karen

From: Frazier, Kenneth C. [mailto:ken_frazier@merck.com]
Sent: Saturday, June 23, 2012 12:55 PM
To: Peetz, Karen; Keith Masser; 'Paula Ammerman'; Guadagnino, Frank T.
Subject: Sandusky

I happen to find this ESPN piece by Howard Bryant well written and well reasoned. It focuses on the larger lessons to be learned from excessive respect for "icons" (Coach Paterno and Penn State football):

<http://espn.go.com/espn/print?id=8087426&type=Columnist&imagesPrint=off>

Notice: This e-mail message, together with any attachments, contains information of Merck & Co., Inc. (One Merck Drive, Whitehouse Station, New Jersey, USA 08889), and/or its affiliates Direct contact information for affiliates is available at <http://www.merck.com/contact/contacts.html>) that may be confidential, proprietary copyrighted and/or legally privileged. It is intended solely for the use of the individual or entity named on this message. If you are not the intended recipient, and have received this message in error,



please notify us immediately by reply e-mail and then delete it from your system.

 [PRINT] ESPN.com: College Football

[Print without images]

Friday, June 22, 2012
Updated: June 23, 3:44 PM ET

Jerry Sandusky, Penn State's shame

By Howard Bryant
ESPN.com

Over the coming weeks, much energy will be devoted to the attempted closure of the Penn State scandal; to the isolation of Jerry Sandusky as a disturbed man with serious and criminal psychological problems; to the alleged dereliction of duty by Penn State administrators, two of whom, like Sandusky himself, might ultimately wind up in prison; and to the renewal of a university now home to the worst scandal in the history of American sports.

There will be talk of the judicial system, which took less than two weeks of trial and less than 48 hours of jury deliberation to hand down a guilty verdict on 45 of 48 counts of sexually assaulting 10 boys over 15 years. There will be talk about how so many people in the Penn State community suspected what Sandusky was and yet did nothing. Hopefully, more than just the reading of the verdict and the relief that brings, there will be a lifetime's worth of full compassion and assistance and resources for the young people and their families, whose lives can never be completely rebuilt.

The most important element of this tragedy, the element that demands the most attention and yet is at risk of disappearing fastest from the national conscience, is the enduring question of why. Why Jerry Sandusky was allowed to prey on children for so long when his trial revealed an intense level of suspicion of him over several years by people in sufficient position to stop him. Why so many supposedly concerned, educated and well-meaning people allowed such a person to exist in their community.

While Sandusky must stand alone, responsible for his individual choices and pathologies, the answer to why he was allowed access to kids, why no one stood up to stop him, why so many people felt it necessary to make phone calls to everyone -- to their fathers, to the coaches, to administrators, to each other -- but not to the police, is simple: Joe Paterno and Penn State football. There is no other reason.

Acting against Sandusky would have negatively affected the program, and a negative effect on the program would have produced a negative effect on Paterno, the untouchable, the legend. Coming forward against Sandusky, challenging the big institution in the small town, presented the risk of being the outcast, the whistle-blower. No community likes to challenge its false notions of itself or to acknowledge that, yes, something so horrible occurred in its backyard despite its residents' idealized vision of themselves.

The mythology of the coach and the hagiography of the institution, the immediate reflex to protect the institution and the fear of crossing it, far more than Sandusky himself, allowed this tragedy to mushroom. Only the permanent destruction of that sort of deferential treatment of larger-than-life figures and trusted organizations will prevent a repeat, whether it occurs in the church, the university or the Boy Scouts.

Denial is a happy, crowded place. Sandusky, who claimed to be a family man, who put his wife on the stand to vouch for him, who based his defense on being a solid member of the community and trying to help young men, will go to prison as a sexual predator and manipulator of children. But it is Paterno who will always be the key to understanding why this dragged on. Those who failed to stop Sandusky might have thought they were protecting Paterno and his monument, but their inaction was not in his best interest (and might not even have been what the old man wanted).

The question of why will stay with Penn State long after Sandusky is gone to prison, long after the Paterno apologists dwindle in number. And the answer to the question of why -- Sandusky was allowed to exist because no one dared challenge the power of Penn State or Paterno, no one wanted to threaten the legacy of the football powerhouse and the great man himself -- will resonate throughout every powerful institution in the country.

What sure looks like a conspiracy took place at Penn State for at least the past 15 years, and it will repeat itself. It is occurring right now in different ways at institutions across the country. It is the conspiracy of power, and now it is up to us to decide whether once and for all to crush the runaway culture of the coach, the outsized elevation of mortal institutions, and to demand accountability and responsibility. If these institutions are so important, so worthy and vital, they do not need to be protected by their followers from themselves or from the truth. Penn State and Joe Paterno should have been protecting their community, not the other way around.

This is why Joe Paterno matters, why he will always matter, even -- no, especially -- in death. This is the reason he was appropriately fired and held responsible for Sandusky. This is the reason the administrators at the university were and should be appropriately held accountable. This is why Paterno apologists -- who lash out in anger that the old man was targeted unfairly and that he followed the proper channels and that there was no possible action Joe Paterno could have taken to prevent perhaps the worst, most damaging scandal in the history of American sports -- have much passion and love, but little credibility. It is the price of power. Paterno enjoyed it in life and will be defined by it in death, as will all of the people involved for the rest of their lives. It is that power's blindness to Sandusky's victims, and what that means for the rest of their lives. And yet there is hope, for the failed culture of the past doesn't have to be part of the future.
