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Subject: State Inspector General's Review of the SCSU 1890 Program

Attachments: SIG letter to BCB re SCSU 1890_04072014.pdf

Attached to this email is a letter to provide the Budget and Control Board (BCB) Members with the results of the State Inspector General's (SIG) review of a credible whistle blower allegation that South Carolina State University (SCSU) inappropriately diverted restricted 1890 Federal Program's Public Service Activities (PSA) funds for a number of years to cover the university's operating deficit in the millions of dollars. Reporting the results in this letter is designed to meet the public need to resolve this allegation as expeditiously as feasible to facilitate state government planning to address SCSU's pending \$13 million financial request.

The SIG does have a remaining review at SCSU. This review pertains to the Advancement Foundation, which is associated with SCSU, due to the foundation's alleged lack of cooperation with the most recent two SCSU external audits (FYs 11-12 & 12-13) resulting in qualified and modified opinions, respectively. The primary issue rising from this review is a pattern where SCSU's contracts with vendors require donations, which are then directed to SCSU foundations rather than the university. This review will be completed in April.

If you have any questions or need any clarifications, do not hesitate to call me on my cell 24/7 (803-429-4946).

Thank you.