

From: Smith, Austin <AustinSmith@gov.sc.gov>

To: Haley, Nikkigovhaley@gov.sc.gov

Patel, SwatiSwatiPatel@gov.sc.gov

Date: 2/27/2016 7:13:56 AM

Subject: Fwd: Richland County Letter

Attachments: RichlandCounty Ltr McDonald WA 20160223.pdf

Governor,

The attached letter to Richland County from the Department of Revenue concerning the Transportation Penny Audit came too late in the day to make it in the notes, but I wanted to get you a quick summary in case you're traveling today and get asked about it.

The County has disputed some of the findings of the audit that we've previously discussed, so in this letter, DOR reaffirms the audit findings. The overall findings remain centered on the following:

- 1) Failure to perform required audits of Transportation Penny program and contractors;
- 2) Unlawful administrative and program expenditures, including for the unrelated Small Local Business Enterprise program;
- 3) Excessive public relations and lobbying expenditures;
- 4) Inadequate procurement procedures, including insufficient bidding and scoring;
- 5) Conflicts of interest with vendors; and
- 6) Expenditures to mentor and train inexperienced contractors.

DOR has given Richland County 30 days to begin addressing these issues by repaying some expenditures from the Richland County General Fund, procuring the independent audits required by Richland County ordinance, and taking corrective action to ensure the integrity of the program going forward.

Please let me know if you have any questions or would like additional information from Director Reames.

Austin

From: Amy Wright <amy.wright@dor.sc.gov>

Sent: Thursday, February 25, 2016 4:50 PM

Subject: Richland Cnty Letter

To: Smith, Austin <austinsmith@gov.sc.gov>

Cc: Symmes, Brian <briansymmes@gov.sc.gov>, Rick Reames <rick.reames@dor.sc.gov>

Director Reames asked that I forward this copy of his recent letter to Richland County to you.

Thanks,

Amy

Amy F. Wright

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