

From: Catherine McNicoll <CatherineMcNicoll@scstatehouse.gov>
To: 'Bryant, Pam' <Pam.Bryant@dss.sc.gov>
CC: Danny Varat <DannyVarat@scstatehouse.gov>
Date: 4/3/2017 4:03:23 PM
Subject: FW: DSS

Good Afternoon Pam,

We have had the following from a constituent. Generally it seems like a dispute over whether grant funds were properly used and if not who is responsible for paying them back and what methods are appropriate. If you could please help us understand what the Kings and the Nelsons need to do as far as justifying the spending and be enrolled to be reimbursed for the ABC families that would be very helpful. Thank you.

*Best Regards,
Catherine McNicoll
Director of Legal & Legislative Affairs
Lieutenant Governor's Office
CatherineMcNicoll@SCStatehouse.gov
803-734-5292 (phone)*

From: Danny Varat
Sent: Monday, April 03, 2017 2:11 PM
To: Catherine McNicoll
Subject: DSS

Please call DSS and find out what's going on here

----- Forwarded message -----

From: David C. King <DcKing@charter.net>
Date: Mon, Apr 3, 2017 at 10:59 AM
Subject: FW: KSA1 and KSA2 Kids Stuff Academy ABC payments withheld
To: Brian White <wbw@capstoneinsurance.com>, Kevin Bryant <kevin@kevinbryant.com>
Cc: Dan Nelson <Dan.B.Nelson16@gmail.com>, Marilyn Nelson <MarilynRNelson@gmail.com>, "David C. King" <Dcking@charter.net>

Brian/Kevin,

I would like to advise you of an ongoing disagreement with DSS/ABC and seek your assistance in resolving this issue to the benefit of all parties involved. At this point, I will skip the very complicated details and attempt to get you up to speed with bullet points, as I can best recall. Sheila's input would be most helpful but she is in Italy, returning Friday. Please review this email thread and advise how you would suggest moving forward.

Thanks,
David

Time Line

- Sheila applied for ABC Quality Mini Grant Award (ABCQMGA) funds for her two Kid's Stuff Academy schools in June, 2016
- ABC approved and paid grants to Kid's Stuff Academy of Anderson, Inc. (KSAA) \$20,600; Kid's Stuff Academy of Clemson, Inc. (KSAC) \$10,760 on July 8, 2016
- All grant expenditures must be completed within one (1) year of receipt of award money
- Confidentiality Agreement to sell KSAA and KSAC to Dan and Marilyn Nelson executed on August 8, 2016

- December, 2016-HVAC unit at KSAA fails and must be replaced-Sheila discusses diverting a portion of the ABCQMGA funds to cover HVAC replacement with ABC/DSS representative, Cathy Kovacs. Cathy provides verbal approval and states to send paid invoices justifying the costs
- HVAC installation completed – costs total \$5280.00 – approved based on verbal and email correspondence with Cathy Kovacs
- Closing of sale of KSAA and KSAC to Dan and Marilyn Nelson, effective January 3, 2017
- Nelson's continue to accept ABC/DSS children at Anderson and Clemson schools, submitting request for reimbursement as required by ABC
- Sheila continues to engage Cathy Kovacs in communication relating to spending the ABCQMGA funds for purposes aligned with parent requests at KSAA and KSAC- specifically, playground equipment and curriculum.

From: "Sheila T. King" <StKing@charter.net>

Date: February 19, 2017 at 3:12:01 PM EST

To: <Cathy.Kovacs@DSS.SC.Gov>

Subject: KSAA Grant Funds Detail

Cathy,

This is the second email relating to expenditures of ABC grant funds and will address Kid's Stuff Academy of Anderson, Inc. (KSAA).

The attached files contain the application for ABC grant funds for KSAA, a spreadsheet identifying the actual use of funds and files containing the receipts for the corresponding expenses. This school received \$20,600 in July, 2016. As you review these attachments, you will see that \$4800.00 was spent on heating and air-conditioning equipment, \$480.00 for rewiring the new heating and air-conditioning system, \$11,034.00 for Great Outdoors PlaySystems, and \$4286.00 for Teaching Strategies Creative Curriculum. Please advise if any additional information is needed. If all is in agreement and acceptable, please confirm your approval.

Thank you,

Sheila King

[864-934-9633](tel:864-934-9633)

- Tracey Nichols sends a reply to Sheila's email to Cathy Kovacs:

Sent from my iPhone

Begin forwarded message:

From: "Nichols, Tracey" <Tracey.Nichols@dss.sc.gov>

Date: February 21, 2017 at 11:34:53 AM EST

To: SheShe <Stking@charter.net>

Subject: RE: KSAA Grant Funds Detail

Please complete a justification form for each center. Include why you didn't purchase what was in the original grant and a justification for what was purchased. Also, please have the new owner write a statement for each center stating that the facilities will continue to use the creative curriculum.

Thanks,

Tracey

- KSAC ABCQMGA funds (\$10,760) spent on playground equipment and creative curriculum
- ABC/DSS now withholding ABC voucher payment to Nelson's for ABC related child care at their Anderson and Clemson schools as noted below and demanding repayment in full of the ABCQMGA funds awarded in July, 2016
- WHY???
- PLEASE HELP RESOLVE THIS TANGLED WEB

David

[864-964-9201](tel:864-964-9201) office

[864-617-0987](tel:864-617-0987) cell

From: Nelson, Dan [<mailto:Dan.Nelson@ttigroupna.com>]

Sent: Friday, March 31, 2017 18:40

To: anderson@kidsstuffacademy.us

Cc: David C. King <DcKing@charter.net>

Subject: Re: KSA1 and KSA2 Kids Stuff Academy ABC payments withheld

Hello David

Marilyn just had me listen to the voicemail from Beverly. She specifically states (in so many words) that they intentionally did not process Marilyn's application for the new ABC account (submitted Feb 21) so they could hold us accountable for the dispute they have with Shelia on the grant money. I am so irritated that these government people are tying together 2 things that have nothing to do with each other.

We are after payment for services that we rendered at our cost to those clients and they want us them back for a dispute they have with someone else.

I feel like if we don't get quick action from the politicians then some personal lawsuits against the ABC folks that held our paperwork are in order for abuse of power.

Please advise if you make contact that seems like it will lead to a remedy.

Thanks David,
Dan

On Mar 31, 2017, at 4:17 PM, Kids Stuff Academy Anderson <anderson@kidsstuffacademy.us> wrote:

4:01pm Friday

Beverly : Said she was in touch with Fiscal people at DSS and they have agreed to enroll me effective March 20th and then I can start billing clients.

She said , this whole problem is to pursue getting the grant money back and that I will not be getting paid for any services I rendered.

Kids Stuff Academy (Anderson Location)

February \$6982

March \$9190

Total Loss:\$16,172

Kids Stuff Academy (Clemson Location)

February \$1320.

March \$1791

March \$4960

Total Loss:\$8,071

From: Kids Stuff Academy Anderson [<mailto:anderson@kidsstuffacademy.us>]

Sent: Tuesday, March 28, 2017 1:55 PM

To: 'David C. King' <DcKing@charter.net>

Cc: dan.nelson@ttigroupna.com

Subject: KSA1 and KSA2 Kids Stuff Academy ABC payments withheld

Hello David:

Thank you for speaking with me today regarding the distress I am experiencing with the ABC program withholding my payments for services already rendered at the KSA locations in both Anderson and Clemson.

As we discussed, here is the series of events that led us to where we are today:

In January 2017, an agreed upon plan between Shelia and I and Tracy Nichols (of the ABC program out of the Greenville SC office) was needed in order for the ABC families to experience a seamless transition from Kids Stuff Academy to the new KSA1 and KSA2 companies with no interruption in service. This plan involved Shelia and I being co-owners of the schools until my new licenses could be completed, then I would be the sole owner and have my own DSS licenses and ABC accounts. My DSS licenses were official on February 20th. My end of the deal was to continue to provide service.

On February 21st all the completed ABC enrollment paperwork regarding both KSA1 LLC Anderson and the KSA2 LLC Clemson locations was submitted to Tracey Nichols during her visit with me that day to the Anderson and Clemson locations. This paperwork was supposed to be processed to create my own accounts for the ABC program so that I could be reimbursed directly into my own account. Since getting my licenses and applying for the ABC accounts, I kept my side of the deal by continuing to provide service. ABC has apparently decided not to pay me for those services, as I found out when I was supposed to receive my first payment.

On March 21st, I contacted Tracy Nichols and Beverly Hunter of the ABC Greenville office regarding a \$1 deposit to my business account to find out why? (it was supposed to be a \$1,320 check for services rendered in Clemson). I left them both voicemails and sent emails requesting a meeting to discuss. Beverly called me back on March 21st to let me know that they withheld money because of some grant money dispute with Kids Stuff in June 2016. I explained that any dispute with funds in 2016 would have been before I had any involvement with the schools or ABC whatsoever. She said she understood and agreed and stated that I needed to send her an email telling her dates and amounts so that she could clear this up and proceeded to tell me that Tracy never should have withheld money from me as the new owner due to the fact I had nothing to do with any grant funds. The money owed is for services rendered.

On, March 28th, (still not having been paid) I received a call from Beverly Hunter saying that my paperwork for my ABC accounts was purposefully never submitted and is being withheld. I asked "why?". I was told "because we want to collect grant funds from the Kings somehow". I reiterated my position that the money owed to KSA1 and KSA2 is for services already rendered in 2017 and has nothing to do with any grant money dispute between the ABC program and the Kings. Beverly Hunter stated that they had to collect money somehow and that I would have to go after the Kings for the services I am providing the children currently. I stated to her that I'm dealing with being the new owner of 2 schools and trying to make payroll for my employees at the same time as providing seamless service for the ABC families, as we agreed to, so why am I being punished? She proceeded to tell me that if I wanted to get paid, I would have to go after the previous owners.

David, I'm stuck in an impossible position here. I am currently providing ABC services for 9 children in Clemson and 25 in Anderson. Those services come at a cost, and I'm not being reimbursed for any of that cost. It doesn't seem fair to have to tell all these families not to come back because they are trying so hard to make ends meet and provide for their children during the workday, but I can't be expected to provide free child care either.

What can we do? I know that Shelia is out of the country and unavailable at the moment. Is there a way we can at least get the ABC folks to release the funds owed already (the amounts being withheld are below) and process my ABC paperwork until Shelia gets back and deal with whatever grant money dispute that exists then?

I look forward to your thoughts,
Thanks!
Marilyn Nelson

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March \$9190

Kids Stuff Academy (Clemson Location)

February \$1320.

March \$1791