

Office of the State Inspector General

Brian D. Lamkin



Review of Potential Financial Irregularities In the Clarendon County School District

I. Introduction

The South Carolina Office of the State Inspector General (SIG) was established by the South Carolina General Assembly in 2012 (Act No. 105) for the purpose of investigating and addressing allegations of fraud, waste, abuse, mismanagement, misconduct in agencies, specifically the executive branch of state government.

The SIG's authorities are found in [South Carolina Code of Laws, §1-6-10 et seq.](#) In 2022, the South Carolina General Assembly passed S. 202 (Act No. 223) which expanded the SIG's authority, with limitations (§1-6-35), to investigate public schools and school districts, public charter schools and authorizers, and voluntary associations that establish and enforce bylaws or rules for interscholastic sports competition for public secondary schools.

On 4/10/23, South Carolina Governor Henry McMaster requested the SIG to conduct an investigation of the Clarendon County School District (District) regarding allegations of potential financial irregularities.

The purpose of this report is to provide a road map for the District's leadership and its Board to improve in its delivery of quality education to its students in a unified effort. This report is not intended to address every individual complaint or issue conveyed to the SIG.

The SIG extends its appreciation to Clarendon County School District superintendent, Dr. Shawn Johnson, District staff, and members of the Board of Trustees for their cooperation and intentionality of seeking solutions to the issues identified by the SIG. The SIG also extends its appreciation to current and former teachers and administrators, and to the parents and constituents in the District for the candor, courage and valuable input provided to the SIG during this investigation.

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II. Background

A. Predicate

By [letter dated 4/10/23](#), Governor Henry McMaster requested the State Inspector General (SIG), pursuant to South Carolina Code of Laws, §1-6-35 to initiate and conduct a review or investigation of the Clarendon County School District (District) regarding potential financial irregularities. This request further authorized the SIG to initiate and conduct a review or investigation of any different or additional allegations of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, or wrongdoing as the SIG deemed appropriate.

B. Scope and Objectives

This review examined the fiscal practices of the District for appropriateness and the effect that fiscal practices of the former Clarendon County school districts (Nos. 1 – 4) had upon the District, including benefits received by members of the Board of Trustees (Board), reimbursements, the superintendent’s contract, salaries and compensation, purchase of vehicles, employee vendor payments, purchase of land for the proposed new Walker-Gamble Elementary School, and other financial matters.

C. Methodology

The SIG reviewed relevant documentation and applicable state and federal laws, regulations, and policies. The SIG conducted interviews that included Board members, District employees, former employees and contractors, South Carolina High School League officials, South Carolina Department of Education officials, and other state agencies.

The SIG employed the preponderance of the evidence standard. Reviews conducted by the SIG conform to the professional standards set forth by the Association of Inspectors General in its *Principles and Standards for Offices of Inspector General*, often referred to as the “Green Book.”

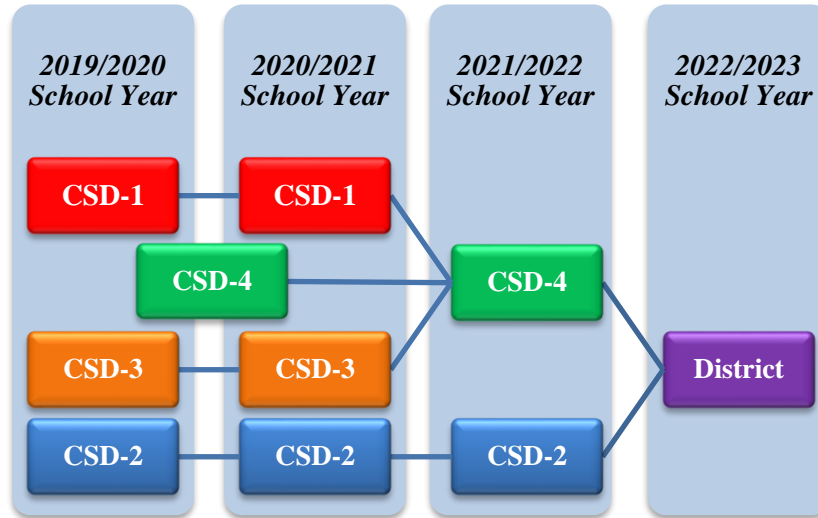
D. Consolidation of Clarendon County School Districts

School District Consolidation

Following the enactment of [Act No. 106 of 2021](#), effective 4/12/21, the District was created through the consolidation of Clarendon County School District No. 2 (CSD-2) and Clarendon County School District No. 4 (CSD-4), which ceased operations at the close of fiscal year (FY) 2021-22. Act No. 106 provided for the appointment of nine trustees by the Clarendon County legislative delegation until 2024, at which time the election of District trustees would begin. The elected trustees will have total fiscal autonomy, and the superintendent would be the chief operating officer of the District, responsible to the Board for the proper administration of all affairs of the District. The legislation further provided that the assets and liabilities of CSD-2 and CSD-4 transferred to the District.

CSD-4, referenced above, was created following the enactment of [Act No. 183 of 2020](#). CSD-4 was created through the consolidation of Clarendon County School District No. 1 (CSD-1) and Clarendon County School District No. 3 (CSD-3), which ceased operations at the end of FY 2020-21 in accordance with Act No. 183. Similarly, Act No. 183 provided for the appointment of seven trustees by the Clarendon County legislative delegation. (*See Table 1*)

Table 1



See [Appendix A](#) for Clarendon County demographics.

District Board Membership

The District’s Board of Trustees first met on [4/28/21](#) and consisted of the following nine members:

District Board of Trustees
William Ceth Land
Arthur Moyd
Alex Craven
Luther Faulk
Robert Fleming
Tony Junious*
Linda Lemon
Dr. Falecia Miller
Ronald Wingard

* Elder Joseph Postell was appointed on or before 5/2/22 to replace Tony Junious, who resigned after election as Mayor of Summerton.

At the time of their appointment to the District’s Board, four members served on the CSD-2 Board: William Ceth Land, Arthur Moyd, Robert Fleming and Dr. Falecia Miller. In addition, the following four board members, Alex Craven, Tony Junious, Luther Faulk and Ronald Wingard, served on the CSD-4 Board at the time of their appointment to the District’s Board.

Dr. Shawn Johnson served as superintendent of CSD-2 from 7/1/19 to 6/30/22, and as superintendent of the District since 7/1/22.

Fiscal Watch

In 2019, the SCDE placed CSD-1 on fiscal watch related to fiscal practices during FY 2017-18. In 2020, SCDE modified its declaration to fiscal caution following CSD-1’s non-compliance with documentation requirements, conditioned upon the timely submission of a recovery plan. When CSD-1 failed to timely submit a recovery plan, the SCDE issued a notice of fiscal emergency on 8/21/20, which required the submission of a shared

services plan pursuant to [Proviso 1.85](#). CSD-1 submitted a shared services plan to the SCDE in September 2020. In October 2020, CSD-1 reported that it failed to make payments for withheld taxes and retirement contributions resulting in liabilities of approximately \$1.4 million.

The CSD-4, successor to CSD-1 and CSD-3, was responsible for consolidating the districts in accordance with approved plans submitted to the SCDE. The approved plans included the completion of the annual audits for CSD-1 and CSD-3. Due to staffing shortages and limited fiscal oversight, to include failure to engage an auditor to complete the audits, SCDE issued a fiscal watch for CSD-4 followed by a fiscal emergency prior to the end of the 2020-2021 school year. Subsequently, SCDE requested CSD-2 to provide technical assistance to CSD-4 to complete the audits for CSD-1 and CSD-3 and close out finances properly prior to the consolidation on 7/1/22. This technical assistance continued under the direction of the new consolidated District.

III. Allegations of Potential Financial Irregularities

The investigation focused on the initial allegations of potential financial irregularities reported to the Office of the Governor and referred to the SIG.

A. Board of Trustees Compensation and Benefits

Overpayment of Board Compensation

Compensation paid to each member of the District’s Board of Trustees is governed by the following:

- [South Carolina Code of Laws, §59-1-350](#),
- [District Policy BID](#) – Board Member Compensation and Expenses, and
- [Act No. 106 of 2021](#) (Consolidation of CSD-2 and CSD-4).

South Carolina Code of Laws, §59-1-350 provides for each member of the board of trustees to receive a “per diem” for attendance at board meetings. Specifically, the statute states, “...*No member may receive per diem and mileage unless in actual attendance upon a meeting of the board.*” [SIG emphasis]

Likewise, District Policy BID provides that, “...*Board members...are paid \$450.00 per month as a per diem for attendance at meetings.*” Policy BID cites South Carolina Code of Laws, §59-1-350 as a legal reference.

Accordingly, the legislation passed by the South Carolina General Assembly for the consolidation of CSD-2 and CSD-4 found in Act No. 106 of 2021, Section 3 (B) (10) provided that the Board of Trustees has the power, duty, and responsibility to:

“...*set by majority vote of the board a salary that each member shall receive for attending meetings of the board, which may not exceed four hundred fifty dollars per month.*” [Emphasis added].

The SIG views the use of the terms per diem, stipend and salary as synonymous with compensation.

During the period of April 2021 through June 2022, each District trustee received compensation of \$600 per month, whether or not the trustee attended the board meeting. Board chair Land received \$700 per month while the board’s vice-chairman, Tony Junious, received \$650 per month. The July 2021 payments of \$2,400 to the District’s trustees (\$2,800 for board chair and \$2,600 for board vice-chair) encompassed the payments for April 2021 through July 2021 board meetings.¹

¹ Funds were not available to compensate the District trustees for the months of April 2021 through June 2021 until 7/1/21.

The [7/14/22 Board minutes](#) reflected that the Board recognized members received compensation that exceeded allowable payments according to the consolidation legislation, which limited Board member compensation to \$450 per month. The Board voted to amend the FY 2022-23 budget, and required all Board members to reimburse the District \$150 on a monthly basis until a zero balance was achieved. District trustees began repayments of \$150 per month through reduced compensation of \$300 per month beginning with the July 2022 payment.

By [letter dated 11/28/22](#), former District trustee, Tony Junio was notified of the requirement to repay \$2,600 in excess Board compensation. Junio made lump sum repayments of \$600 on 5/18/23, \$450 on 5/19/23, \$150 on 8/21/23, and \$1,400 on 10/3/23 following the initiation of the SIG investigation. Table 2 below sets forth the amounts overpaid to District Board members and outstanding balances, as 10/15/23.

Table 2

Board of Trustees	Amount overpaid Apr 2021 – June 2022	Balance owed as of 10/15/23
William Ceth Land	\$3,750	-0-
Arthur Moyd	\$2,350	-0-
Alex Craven	\$1,800	-0-
Luther Faulk	\$2,250	-0-
Robert Fleming	\$2,250	-0-
Linda Lemon	\$2,250	-0-
Dr. Falecia Miller	\$2,250	-0-
Ronald Wingard	\$2,250	-0-
Joseph Postell	\$300	-0-
Tony Junio	\$2,600	-0-

The SIG further determined that certain Board members received compensation for meetings not attended. Table 3, Column A sets forth the compensation paid to District trustees for meetings not attended or not held. The District did not have a plan for repayment of funds for meetings not attended by its trustees.

Table 3

Adjusted Board Stipends Received for Meeting Absences or No Meeting Held

Board of Trustees	21-Nov	22-Feb	22-Mar	22-Jul	22-Aug	22-Dec	Stipends Received Absent/No Mtg	Clawback owed as of: 10/15/23	Amount owed to the District
District Board							Column A	Column B	Column C
Arthur Moyd							\$ -	\$ -	\$ -
William Ceth Land							\$ -	\$ -	\$ -
Robert Fleming							\$ -	\$ -	\$ -
Dr. Falecia Miller							\$ -	\$ -	\$ -
Joseph Postell							\$ -	\$ -	\$ -
Ronald Wingard	\$ 450	\$ 450	\$ 450	\$ 300			\$ 1,650	\$ -	\$ 1,650
Alex Craven					\$ 300	\$ 300	\$ 600	\$ -	\$ 600
Luther Faulk							\$ -	\$ -	\$ -
Linda Lemon							\$ -	\$ -	\$ -
Tony Junio							\$ -	\$ -	\$ -
Total							\$ 2,250	\$ -	\$ 2,250

Table 3, Column C sets forth the outstanding balances owed to the District by the trustees as of 10/15/23 for overpayment of monthly compensation and compensation received for non-attendance at board meetings.

State Health Insurance Benefits

The SIG determined through the Public Employee Benefit Authority (PEBA) that three District trustees received state health insurance and/or retirement and insurance benefits by virtue of the coverage afforded to each through a current employer, as a retired state employee, or as the spouse of a retired state employee of another state agency. PEBA confirmed that no District trustee received state insurance or retirement benefits through the District. Benefits listed in the District's FY 2022-23 budget pertained to District employees allocated to the Board's budget line item for services attributed to the Board.

B. Reimbursements to District Trustees and Staff

The audit of the District's supporting documentation for the accounts payable (A/P) and check registers focused on FYs 2021-22 and 2022-23. Among the key questions the audit sought to answer were:

- Approval of travel, purchases, and reimbursements,
- Timing of the approval (pre or post expenditure),
- Supporting documentation (purchase orders, receipts, reimbursement vouchers, conference registration, approvals),
- Did the request for reimbursement reconcile to the payment?
- Reconciliation of check register to payee, description of expenditure, account used for reimbursement,
- Did the expenditure support the educational goals and programs of the District, e.g., professional development?
- Did the travel comply with the District's travel policy, per diem rates, mode of travel (coach versus first-class air travel), justifications and approval to exceed standard lodging rate?

Reimbursements to District Trustees

The SIG examined the District's A/P records and check registers for reimbursements of Board member travel expenses. The SIG examined 100% of the travel expense payments to Board members for FYs 2021-22 and 2022-23 and determined the reimbursements adhered to the [District's fiscal policies](#) and were allowable expenses attributed to Board training and Board member development.

Reimbursements to District Staff as "Employee Vendor"

A review of the A/P and check registers identified payments made to "employee vendor." The District's chief financial officer (CFO) explained that employee expense reimbursements labeled as payments to an "employee vendor" included travel reimbursements and reimbursements for expenses incurred, such as when a teacher purchased supplies. The CFO stated that the publically available transparency log did not identify payees for privacy purposes.

The SIG sampled 24% of FY 2021-22 and 20% of FY 2022-23 employee expenses. The SIG review identified one employee vendor double payment made to Dr. Johnson for \$297.50 for reimbursement following his submission of two requests for the same mileage and meal expenses. The CFO advised that the District received repayment from Dr. Johnson on 8/2/23.

While identifying employee reimbursements as “employee vendors” in the A/P ledger was vague as to the payee’s identity and the purpose of the expenditure, the SIG determined the District maintained detailed documentation that identified the payee, the purpose of the expenditure and the supporting documentation with the necessary approvals for the expenditures. The SIG discussed these observations with the South Carolina Comptroller General who opined the use of the term “employee vendor” was sufficient and complied with the Transparency Act of 2009.

C. Salary Advances to District Staff

The SIG identified disbursements to District staff described as a “salary advance.” The District’s CFO explained that employee vendor disbursements included salary advances and expense reimbursements.

The practice of advancing salaries to District staff preceded Dr. Johnson’s tenure as CSD-2 superintendent. The SIG determined this practice carried forward upon Dr. Johnson’s hiring as the CSD-2 superintendent and into the current District following consolidation. Furthermore, the SIG determined that neither the District nor the former CSD-2 had a formalized process guided by policy for issuing salary advances to staff.

District employees advised that knowledge about the availability of a salary advance was inconsistent among staff, and the District did not document the criteria utilized for approval of a salary advance. The superintendent approved salary advances when employees experienced a gap in pay for a variety of reasons, such as a pay gap caused by a reduction from a 220-day contract to a 190-day contract or a significant financial hardship caused by an illness to the staff member.

To ensure that staff repaid the salary advance the District’s Finance and Human Resource departments entered into an agreement with the staff member for payroll reductions spread over the pay periods to ensure the salary advance was repaid within the immediate school year.

The SIG identified eight salary advances made by the District since 7/1/22. Following the SIG’s inquiry into this practice, the superintendent notified the Board the practice of issuing salary advances was terminated and that no salary advances would be approved moving forward.

D. Sole Source Procurement of District Vehicles

On 9/20/22, the District issued Purchase Order #[1365](#) to McCracken Automotive, LLC, Unadilla, Georgia for seven Ford Explorers for District use and three Ford Explorers marked for school resource officer (SRO) use. The District paid \$36,000 each for the seven Explorers used by District personnel for a total of \$252,000, and \$40,200 each for the three marked SRO Explorers for a total of \$120,600. The total purchase price of the ten Explorers, along with \$420 in gasoline expenses for transport to the District, was \$373,020.

District officials stated that attempts to purchase vehicles pursuant to the statewide contract were unsuccessful. Due to the semiconductor chip shortage, delivery times for appropriate vehicles from most dealers on the statewide contract were estimated to be between 12 and 18 months. District contact with the Clarendon County Sheriff’s Office (CCSO) identified dealers in Aiken, SC and Unadilla, GA that could supply ten police package Ford Explorers. The Aiken dealer’s price, however, was \$1,000 higher per vehicle than the Unadilla dealer was because the Unadilla dealer supplied the vehicles to the Aiken dealer.

Based on these details, the District issued a sole source contract to the Unadilla dealership for the vehicles. The District transported District and CCSO drivers by a District activity bus to Unadilla to drive the vehicles back to Clarendon County. A former District official advised that the Unadilla dealer was the top dealer in Florida, Georgia, and South Carolina for police vehicles.

The SIG determined the District provided sufficient justification and documentation for the sole source purchase of ten Ford Explorers from a Georgia vendor consistent with the state's Consolidated Procurement Code.

E. Land Purchase – Walker-Gamble Elementary School

The Walker-Gamble Elementary School was built in the 1950s on land donated by the families of two local farmers, Charlie Gamble and Silas Walker, Sr. The school, originally a high school for black students during segregation, became the elementary school in 1970 when the high school students integrated with the East Clarendon Middle High School.

The SCDE provided \$42 million to the District in 2022 for the construction of a new Walker-Gamble Elementary School as part of the consolidation of CSD-2 and CSD-4. However, these funds could not be used for the purchase of the land or the infrastructure development of the site.

Ethics Concern

District Board minutes from the [1/9/23 meeting](#) reflected a motion made by trustee Ron Wingard, seconded by trustee Arthur Moyd, followed by a Board vote that authorized the purchase of "Proposal #2 of Land Purchase." G&C Ventures, LLC (G&C), which owned the land identified in Proposal #2.

Public comment at subsequent Board meetings alleged that the Board's authorization to purchase the land from G&C violated the State Ethics Act because Wingard's motion to accept the offer from G&C included John P. Coker as a partner of G&C. Coker, a Clarendon County council member for District 3 (Turbeville area), is the spouse of Wingard's stepsister.

The South Carolina Code of Laws, [§8-13-700](#) provides that:

"(A) No public official, public member, or public employee may knowingly use his official office, membership, or employment to obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated."

The South Carolina Code of Laws, [§8-13-100](#) (15) also provides that:

"Family member" means an individual who is: (a) the spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, or grandchild; (b) a member of the individual's immediate family.

The SIG determined that Wingard and his stepsister do not share a common parent and are related only through the marriage of Wingard's father to his stepsister's mother. A state ethics official advised that the spouse of an official's stepsister is not a family member for purposes of §8-13-700. The SIG determined that Board trustee Wingard's motion did not violate §8-13-700.²

² State Ethics Commission [informal advisory opinion](#), dated 3/11/2004.

Analysis of Board Evaluations

The SIG conducted a review of the procurement records pertaining to the submissions from the landowners for the proposed new Walker-Gamble Elementary School as set forth in Table 4 below.

Table 4

Tax Map Number	Offeror	Amount per acre	Town water	Town sewer
283-00-01-023-00	[private person]	\$15,900	No	No
324-04-02-002-00; 324-04-02-003-00	G&C Ventures, LLC	\$8,300	Yes	Yes
323-00-01-014-00	[private person]	\$12,149.84	No	No
283-00-03-001-00	[private person]	\$20,000	No	No
315-00-03-038-00	[private person]	\$10,000	Yes	No

District Board members stated the property was purchased from G&C because it had the lowest price per acre along with existing water and sewerage infrastructure. Table 4 sets forth the results of the proposal evaluations with the G&C proposal as the only proposal that met all three critical criteria: (1) lowest price per acre, (2) existing municipal water, and (3) existing municipal sewer.

The SIG determined that the Board complied with the Consolidated Procurement Code in the land purchase solicitation, evaluation of proposals, and selection of the G&C property for the proposed new Walker-Gamble Elementary School.

F. Superintendent’s Contract

Dr. Johnson served as superintendent of CSD-2 from 7/1/19 to 6/30/22 at a \$147,798 annual salary for FY 2021-22.

On 4/5/22, the District Board contracted with Dr. Johnson to serve as superintendent for the period 7/1/22-6/30/25 for an annual salary of \$225,000. In addition, the contract provided a \$1,200 monthly housing allowance, internet service at his District residence, a \$500 monthly automobile use and maintenance allowance for in-District travel, and reasonable out-of-District travel expense reimbursements. A review of District expense reimbursements to Dr. Johnson showed monthly disbursements of \$40 for internet service. This resulted in a District outlay in contract compensation and living allowances of \$245,880.

On 8/1/22, the District amended the superintendent’s contract resulting in a District outlay in annual compensation of \$225,000, and a \$12,000 allowance for automobile use and maintenance for in-district travel for a total of \$237,000, a reduction of \$8,880.

The contract amendments reflected the following:

- 1) Removed the District residency requirement,
- 2) Terminated the superintendent’s \$1,200 monthly housing allowance, a reduction of \$14,400,
- 3) Removed disbursements for internet service, a reduction of \$480, and
- 4) Increased the monthly automobile use and maintenance allowance for in-district travel from \$500 to \$1,000, a \$6,000 increase.

A SIG review of public school district superintendents’ salaries demonstrated that Dr. Johnson was the 19th highest paid superintendent in South Carolina in a district with the 41st most students according to the 135-day Average Daily Membership (ADM).

Prior to consolidation, the salary of the former CSD-4 superintendent was \$216,000. The consolidation of CSD-4 and CSD-2 resulted in a student population 76% higher than CSD-4. Given the complexities of consolidation, increases in students and staff, and the addition of the F.E. Dubose Career Center, the SIG assessed that the superintendent's \$225,000 salary and reduced living allowances was reasonable. (See [Appendix B](#))

G. Townhouse Purchase

On 2/5/20, the former CSD-2 submitted a grant application to the Center for Recruitment, Retention, and Advancement (CERRA), requesting \$11,236 "to purchase a house to provide lodging for teachers to enhance rural teacher recruitment efforts." The [Request for Disbursement form](#) included an assurance section that stated:

"By my signature below, I acknowledge and understand that the funds disbursed pursuant to this request may be used only for the purpose and in the manner stated above, and that any unused portion of the funds not so utilized must be returned to CERRA as soon as the district determines that the funds are not needed, but no later than the conclusion of the 2019-20 school year."

Dr. Johnson executed the reimbursement form on 2/5/20.

On 2/5/20, CERRA approved CSD-2's \$11,236 request for the housing purchase incentive. CERRA also approved a reallocation of previously funded requests totaling \$63,411.71 for the purchase of the townhouse. The reallocation was conditioned upon the same assurance as that associated with the \$11,236 request. Total CERRA funds designated for the purchase of the townhouse were \$74,647.71.

On 2/12/20, CSD-2 contracted to purchase a townhouse at 1349 Davenport Drive, Manning, SC, for \$85,000. The Clarendon County Register of Deeds records confirmed CSD-2 purchased Lot No. 4, Shannon Greens Townhouses Subdivision on or about 3/30/20 for \$85,000. Publically available CSD-2 check register records reflected a payment on 3/26/20 of \$82,494.39 for "housing" to Boykin & Davis, LLC, as the settlement agent. A District official advised that the CERRA grant (\$11,236) and CERRA carry-over funds (\$63,411.71) were used to pay for the townhouse.

A District attorney advised that Dr. Johnson resided in the townhouse from April 2020 through August 2020. The District attorney confirmed that on 4/20/21, Dr. Johnson repaid the District \$4,750 (five months @ \$950 per month) for rent for the period April 2020 through August 2020, during which time teacher recruitment efforts were suspended due to the Covid pandemic. Board members, the superintendent, and District officials explained that appropriate housing for the Clarendon County school superintendent was difficult to secure. Current and former District officials advised that teachers resided in the townhouse following the superintendent's relocation.

The SIG determined that the District failed to adhere to the CERRA grant agreement during the period Dr. Johnson resided in the CERRA-funded townhouse rent free, which was to provide lodging for teachers to enhance rural teacher recruitment efforts. The finding was mitigated by the difficulty the superintendent encountered in identifying appropriate housing within CSD-2, and reduced teacher recruitment due to the Covid-19 pandemic causing the closure of schools in March 2020 that resulted in the newly purchased property being vacant.

H. Athletic Coaching Supplements

For FY 2022-23, the District budgeted \$742,500 for athletic supplements using general funds. Each of the three school clusters, Turbeville, Manning, and Summerton, received \$247,500 to pay athletic program staff,

including coaches, videographers, athletic secretaries, and counselors. Each cluster received supplements for the same number of athletic positions.

Prior to the consolidation, District officials stated a disparity existed between the clusters in funding for athletic facilities, equipment, and athletic position supplements. CSD-2 received more funding for athletic supplements than CSD-4 according to a senior district official. The Summerton cluster athletic program, formerly in CSD-4, lagged behind the two other clusters. The official explained the goal for FY 2022-23 in the newly consolidated district was the even distribution of funding and athletic positions across each cluster.

The Summerton cluster, however, could not support the same number of teams as the others because of its smaller student population. Consequently, the Scotts Branch Middle High School (SBMHS) athletic director redirected coaching supplements designated for teams that could not be supported, to other uses.

For example, a supplement budgeted for a girls' head tennis coach was instead used to pay for an assistant band director. Athletic supplements in the Turbeville and Manning clusters were likewise redirected to other uses within the athletic department. A senior District official confirmed a spreadsheet used for tracking supplement spending was not updated to reflect the shifting of the supplements for other District purposes. The official also confirmed contracts with athletic supplement recipients were not amended to reflect the actual use of the funds.

The total funds designated for athletic supplements redirected for other purposes totaled \$33,500 for FY 2022-23.

The SIG determined that inadequate internal controls created a risk of fraud due to a lack of documentation or incorrect documentation that did not support the designated use for the athletic supplements. Existing internal controls did not include supervisory approval, finance approval, and periodic and aperiodic audits.

In addition, the SIG examined records provided by the District for payroll and coaching assignments and determined that two recipients were underpaid a combined total of \$2,312.50. The SIG conducted further examination and determined that six different recipients were overpaid a combined total of \$6,110.50.

South Carolina High School League Certifications

The SIG examined records of the South Carolina High School League (SCHSL), which demonstrated the District was tardy in submitting eligibility rosters for four SBMHS sports including football, boys' basketball, girls' basketball, and boys' cross-country leading to a total fine of \$200 assessed on 5/5/23. The District paid the penalty on or about 5/9/23. An SCHSL official advised the District could have received a fine of \$20,000 and program suspension for the late submissions.

The SIG assessed that the SCHSL did not fine SBMHS for the tardy submissions by the District until the SIG made inquiry. The SCHSL official advised that timeliness audits of eligibility rosters are conducted, but accuracy audits are not conducted. The SCHSL official advised that it relies on the integrity of school district employees to submit accurate rosters.

The SIG determined that inadequate internal controls over athletic supplements totaling \$742,500 created a risk of fraud, including funds totaling \$33,500 not used for the purpose designated for those funds. The SIG further determined that tardy submissions of eligibility rosters to the SCHSL for four sports resulted in waste of \$200 and the risk of a \$20,000 fine.

I. Conversion of Gift Cards for Personal Use

The complainant alleged that District senior staff used the gift cards for senior staff lunches. The SIG learned that the superintendent paid for some of the senior staff lunches from his personal funds.

District staff denied use of the cards and the SIG examination of the District's financial records did not indicate cards were purchased with ESSER funds. An SCDE official over ESSER audits advised that there was no indication the District used ESSER funds to purchase gift cards.

IV. Potential Financial Irregularities Identified by the SIG

A. Chronic Student Absences and Related Attendance Issues

During the course of conducting interviews of District leaders and staff, the SIG identified concerns over chronic absenteeism that potentially affected state funding for the District based on the following state laws.

The South Carolina Code of Regulations, [§43-172 I.A.2](#), provides that:

“Membership is defined as the number of pupils present plus the number of pupils absent.”

The South Carolina Code of Regulations, [§43-172 I.A.6](#), provides that:

“A pupil shall be dropped from membership on the day when the number of unlawful days absent exceeds ten consecutive days or when the pupil leaves school because of transfer, death, expulsion, graduation, legal withdrawal, or for any other reason. Notwithstanding any other provision, students with disabilities who have been expelled and continue to receive educational services pursuant to Regulation 43-279 (Section V, Part D³) shall not be dropped from membership.”

The South Carolina Code of Laws, [§59-20-40 \(1\)\(a\)](#), provides that:

“Each school district shall maintain a program membership of each school by compiling the student membership of each classification. The cumulative one hundred thirty-five day average daily membership of each school district by program classification will determine its monetary entitlement. The district's average daily membership (ADM) will be computed, currently maintained, and reported in accordance with the regulations of the State Board of Education....”

Student Membership Rolls

The SIG identified concerns among District staff that Superintendent Johnson directed that schools request permission from the District to drop truant students from membership rolls. The interviewees indicated that only after receiving authorization from the District, which was often delayed for a prolonged period, was a student dropped, if at all. The SIG did not identify a directive from the superintendent or senior District officials not to drop a student from school enrollment; however, the perception existed among the staff. The SIG, however, found no corroborative evidence in support of the perception.

The SCDE identified 1,103 actively truant District students out of a total enrollment of 4,414 students for the 2022-23 school year that constituted 24.99% of the total enrollment. The SCDE advised that the 24.99% absenteeism rate ranked 25th highest among 73 state public school districts. Notwithstanding the District's statewide absentee ranking, SCDE officials expressed concern regarding the absenteeism rate.

³ Section V regulates the “Discipline of Handicapped Students” and Part D regulates “Expulsions.”

District records reflected 34 kindergarten, primary, and secondary school students with more than ten consecutive unlawful absences prior to the Day 135 count for the 2022-23 school year. The SIG coordinated a review of these findings with the SCDE, which identified District coding errors for many of the students.

For example, 15 of the students were incorrectly marked absent in PowerSchool when the student was medically homebound or under disciplinary suspension. Further analysis by the SCDE identified 17 students omitted from the list compiled from the District records. The SCDE advised that 36 students, per regulation, should have been dis-enrolled prior to the 135th day of the school year.

The [South Carolina General Appropriations Bill for Fiscal Year 2023-2024 – Part 1B](#) provided for per pupil state aid to classrooms projected to be \$8,214 in state funding⁴, \$1,310 in federal funding, and \$8,031 in local funding. The SCDE identified pupil weighting for the 36 students as a multiplier applied to the base state aid to classroom funding. Pupil weighting was assigned to certain students, including students with disabilities. In addition, SCDE identified certain “add-ons” for categories that included pupils in poverty.

Based on these calculations, the SCDE advised that the weighted state aid to classroom funding for the 36 students resulted in an **excess claim by the District of \$128,493.** [SIG Emphasis]

As a result, an SCDE official advised that SCDE proactively implemented internal SCDE procedures to improve SCDE processes for statewide application to verify Day 45 attendance and average daily membership, rather than rely solely on self-reporting school districts as had been the case. In addition, the SCDE instructed districts to code students as “absent” prior to the student’s first day of enrollment when the student had been enrolled in the district the previous school year in order to trigger truancy intervention measures.

The SIG determined that the District’s failure to drop 36 students with more than ten consecutive unlawful absences from the FY 2022-23 membership rolls violated the South Carolina Code of Regulations, §43-172 I.A.6 and §43-172 I.A.2, which resulted in an excess claim by the District of \$128,493 in state aid for classroom funding.

The SIG further determined that the enrollment/attendance status for 32 students were incorrectly coded into PowerSchool in violation of the provisions of the Student Information System Data Entry Manual.

Intervention Plans

During FY 2022-23, the District director of student services supervised the truancy program. The District did not have a truancy officer during FY 2022-23. As a result, truancy duties were assumed by the parent outreach coordinator who during 2022, was injured and hospitalized, and unable to report to work “for months.” Officials advised that no other employee was assigned the parent outreach coordinator or truancy duties during his/her absence.

In July 2023, officials advised that responsibility for supervision of the truancy program was shifted from the director of student services to a distributed model among the other senior staff and program directors. The parent outreach coordinator was reassigned duties as the District truancy officer, responsible for supervision of 11 attendance clerks. Senior staff officials were unable to identify a single director-level point of contact for truancy supervision. The SIG assessed that distributing responsibility among several directors diminished accountability over the truancy intervention program.

On his/her own initiative in an effort to combat truancy, the truancy officer disseminated instructional emails to faculty, made presentations, established an attendance/talk café, created an attendance newsletter, planned an attendance spirit week, and planned an attendance university. Through the efforts of the superintendent and the

⁴ The SCDE advised that final state funding for aid to classrooms was \$8,215 for FY 24.

truancy officer, a uniformed SRO was designated to assist the truancy officer with home visits for safety purposes. While the truancy officer disseminated guidance, the District was unable to identify a Board-approved truancy prevention and intervention plan policy.

Senior District officials, including the director of student services, could not recall the District ever referring a truancy matter to Family Court. The directors of student services and elementary education were unaware that the truancy officer had disseminated truancy procedural material to attendance clerks and principals. The truancy officer, however, stated that one truant was referred to Family Court in FY 2022-23 and three truants were referred in FY 2023-24.

Academic Credit

The South Carolina Code of Regulations, [§43-274 VII \(A\)](#), provides that:

“The district board of trustees, or its designee, shall approve or disapprove any student’s absence in excess of ten days, whether lawful, unlawful, or a combination thereof, for students in grades K-12. For the purpose of awarding credit for the year, school districts must approve or disapprove absences in excess of ten days regardless as to whether those absences are lawful, unlawful, or a combination of the two.”

Board members advised that they could not recall approving or disapproving student absences in excess of ten days, whether those absences were lawful, unlawful, or a combination of the two for the purpose of awarding academic credit for the school year. In addition, Board members could not recall designating any other person to approve or disapprove student absences in excess of ten days for awarding academic credit for the school year.

The South Carolina Code of Regulations, [§43-274 VII \(B\)](#), provides that:

“...Local school boards should develop policies [SIG emphasis] governing student absences giving appropriate consideration to unique situations that may arise within their districts when students do not meet the minimum attendance requirements....”

The superintendent advised that credit recovery and seat time recovery plans were in place to preclude the necessity of presenting cases to the Board involving students with more than ten absences. The SIG determined that the District Board had not adopted a policy governing student absences giving appropriate consideration to unique situations that may arise within their districts when students do not meet the minimum attendance requirements pursuant to South Carolina Code of Regulations, §43-274 VII (B).

B. Coaching Certifications

The SIG reviewed documentation of all coaching certifications for FY 2022-23 for 84 District coaches. This review determined the District lacked certification documentation for all but one coach.

The SCHSL required certifications in CPR/AED for all coaches, administered by either the American Red Cross or the American Heart Association, as well as completion of four National Federation of State High School Associations (NFHS) courses: 1) concussion in sports, 2) heat illness prevention, 3) sudden cardiac arrest, and 4) protecting student athletes from abuse. The SCHSL advised that audits of coaching certifications were not conducted. The SIG determined the District lacked documentation for 320 separate certifications for 83 coaches. The complete breakdown of coaching certification documentation is found in Table 5 below.

Table 5

Coaches	Documented Certifications
1	Appropriate documentation
18	Missing for 1 certification
5	Missing for 2 certifications
3	Missing for 3 certifications
2	Missing for 4 certifications
55	Missing for all 5 certifications

SCHSL rules and regulations provided for fines of \$100 per certification requirement. The SCHSL stated the District could be assessed up to \$32,000 in fines for the District’s failure to document the 320 undocumented coaching certifications.

The SIG determined the District lacked appropriate documentation for 320 certifications for 83 coaches for FY 2022-23 in violation of SCHSL requirements, which created a risk to student safety and well-being, a risk of civil liability, and a risk of SCHSL fines totaling \$32,000. Additionally, the SIG determined that the SCHSL’s failure to audit coaching certifications created a risk to student health and welfare.

C. Closure of Unattended Bank Accounts

In May 2023, the SIG identified four unattended, active bank accounts through the assistance of the District CFO held in the name of former Clarendon County school districts.

The CSD-1 accounts transferred to CSD-4 under the 2020 consolidation with CSD-3, and eventually to the District under the 2021 consolidation bill. Similarly, the CSD-2 accounts transferred to the District under the 2021 consolidation bill with CSD-4. Under each consolidation, each successor district failed to update the signature authorities on the accounts. This created a high risk for fraud and misappropriation of funds.

At the SIG’s direction, the District promptly corrected this matter, closed the four accounts on 5/11/23, and transferred the funds to the District. The accounts are identified in Table 6, below.

Table 6

Account	Account	Balance
CSD-1	Money Market	\$143,013.92
CSD-1	Food Service	\$9,461.35
CSD-2	Manning High School	\$13,041.91
CSD-4	General Account	\$47,543.10
Total		\$213,060.28

An analysis of the accounts did not identify any unauthorized disbursements or misappropriation of funds that totaled \$213,060.28.

D. Unaccounted-for Carry-over Funds

During the last week of FY 2022-23 (June 2023), the SIG reviewed financial records following concerns expressed by District staff that \$67,000 in carry-over Career and Technical Education (CTE) program funds were unaccounted for in F.E. Dubose accounts. The unexpended CTE originated under the CSD-2 budget during FY 2021-22 and carried over to the District for FY 2022-23 following the consolidation of CSD-2 and

CSD-4. Carry-over funds have a one-year extension for expenditure by June 30 of the following fiscal year. Carry-over funds not expended or encumbered under the one-year extension are returned to the SCDE.

The SIG determined sufficient documentation existed that F.E. Dubose and District officials expended \$53,000 and encumbered \$14,000 in CTE carry-over funds prior to the 6/30/23 deadline in FY 2022-23.

V. Final Observations

Public Participation

A complainant alleged that the superintendent wrongfully denied requests of certain persons who submitted requests in advance to speak in the public participation portion of school board meetings. The SIG determined through a review of District records that no request for public participation had been denied by the District superintendent or the Board for persons who submitted requests in advance to speak in the public participation portion of school board meetings.

Overall Assessment

The SIG's review of the District's financial operations determined the finance department operated with adequate internal controls and processes over budgeting, expenditures, procurement and other fiscal practices to maintain a low risk of fraud. However, the financial oversight of \$742,500 within the District's athletic department should be strengthened in coordination with the finance department.

The SIG's audit of expenditures made to District staff and Board members found no instances of fraud or misapplication of funds. In those instances when an overpayment was made, either to Board members or a double reimbursement to the superintendent, the monies were repaid and the finance department implemented a recovery plan to ensure the repayment of funds.

Equally noteworthy was the District's finance department (formerly CSD-2) delivered technical assistance to the former CSD-4 at the request of the SCDE. This occurred during the final year of CSD-4 when the SCDE placed CSD-4 under fiscal watch and subsequently fiscal emergency. The District, in particular the finance department is commended for its efforts.

The successive consolidations of four Clarendon County school districts in back-to-back years exposed each successor district (CSD-4 and the District) to the financial errors and shortcomings of the former CSD-1. The financial turmoil that occurred in CSD-1, which is well-documented in its annual audits and in the public eye, adversely impacted CSD-4 in its transitional first year when CSD-1 failed to provide the necessary financial information to the CSD-4 CFO, superintendent and Board. This resulted in CSD-4 being placed on fiscal watch and subsequently fiscal emergency by the SCDE.

The completion of the final closeout audit of CSD-1 has delayed the initiation of the closeout audit of CSD-4, which unfortunately has delayed the start of the FY 2022-23 audit for the District. As a result, the District is in the untenable position of potentially missing the audit submission deadline of December 1 and the 60-day extension set forth in the South Carolina Code of Laws.

The District is in its second full school year and has demonstrated resilience and adaptability as a single countywide school district. School district consolidations can evoke a variety of concerns, emotions, passionate viewpoints and esprit des corps all of which are important to the District's leadership and Board. Clear communication by the District's leadership, staff and Board to students, parents and the community is paramount to the successful delivery of education to the students.

The SIG found the issues and questions brought forth to the Governor's Office to be sound interpretations of District financial records that deserved further review. Direct dialog with the various components within the District and the SCDE clarified and satisfied the concerns raised. In other areas identified by the SIG, the District took immediate action to address the concerns raised by the SIG as set forth in the Findings and Recommendations section of this report.

The SIG extends its appreciation to Clarendon County School District superintendent, Dr. Shawn Johnson, District staff, and members of the Board of Trustees for their cooperation and intentionality of seeking solutions to the issues identified by the SIG. The SIG also extends its appreciation to current and former teachers and administrators, and to the parents and constituents in the District for the candor, courage and valuable input provided to the SIG during this investigation.

VI. Findings and Recommendations

Finding #1: The SIG determined that the District's Board failed to adhere to Act No. 106 of 2021, Section 3 (B) (10) and [District Policy BID](#) for a period of 15 months (April 2021 through June 2022) when District trustees received compensation in excess of the monthly limit of \$450 set forth in the consolidation legislation and policy BID.

The SIG further determined that District Board members received compensation for meetings that members did not attend in violation of [South Carolina Code of Laws, §59-1-350](#), District policy BID and South Carolina legislation, Act No. 106 of 2021, Section 3 (B) (10) when District trustees received compensation for not attending Board meetings. As of 10/15/23, the District was owed \$2,250 resulting from overpayments in Board member compensation for Board meeting absences.

Recommendation #1: The District should establish and implement a collection plan for all outstanding debt owed by current District trustees. In addition, the District's Finance Department and the Board secretary should implement a process of communication to ensure that monthly compensation is not made to Board members from accounts payable without first verifying individual attendance or non-attendance at Board meetings.

Finding #2: The SIG determined the District did not have a policy regarding salary advances, which led to inconsistent employee awareness and created a risk of unequal treatment. The SIG determined the District superintendent verbally notified the Board that the practice of advancing salary to staff was terminated.

Recommendation #2: The SIG recommends that the District adopt a policy prohibiting salary advances and ensure the new policy is distributed to all District staff.

Finding #3: The SIG determined that the District violated the CERRA grant agreement during the period Dr. Shawn Johnson, District superintendent, resided in the CERRA-funded townhouse, which was to provide lodging for teachers to enhance rural teacher recruitment efforts. The finding was mitigated by the difficulty of identifying and securing appropriate housing within the former CSD-2. **No further action is required** as the superintendent vacated the premises and repaid rent for the period occupied.

Finding #4: The SIG determined that the District lacked adequate internal controls over the athletic program in the following areas:

- a. Inadequate internal controls over the expenditure of athletic supplements totaling \$742,500 created a risk of fraud, including funds totaling \$33,500 not used for the purpose designated for those funds.
- b. The District underpaid two recipients for a combined total of \$2,312.50, and overpaid six different recipients for a combined total of \$6,110.50.
- c. The District's tardy submissions of eligibility rosters to the South Carolina High School League (SCHSL) in four sports resulted in waste of \$200 and the risk of a \$20,000 fine.
- d. The District lacked appropriate documentation for 320 certifications for 83 coaches for FY 22-23 in violation of SCHSL requirements, which created a risk to student safety and well-being, a risk of civil liability, and a risk of SCHSL fines totaling \$32,000.
- e. The SCHSL's failure to audit coaching certifications created a risk to student health and welfare.

Recommendation #4a-b: The SIG recommends that 1) District athletic director approval be required and documented for all coaching supplement reallocations, 2) that athletic supplement contracts reflect the correct scope of work and duties, and 3) the reallocations be documented for accountability and transparency.

Recommendation #4c: The SIG recommends that the District establish internal controls to ensure sports eligibility rosters are timely submitted to the SCHSL.

Recommendation #4d: The SIG recommends that the District implement internal controls to ensure required coaching certifications are completed and documented.

Recommendation #4e: The SIG recommends that the SCHSL conduct periodic and aperiodic audits of coaching certifications for all public school districts in South Carolina.

Finding #5a: The SIG determined that the District's failure to drop 36 students with more than ten consecutive unlawful absences from the FY 2022-23 membership rolls violated the South Carolina Code of Regulations, [§43-172 I.A.6](#) and [§43-172 I.A.2](#), which resulted in an excess claim by the District of \$128,493 in state aid to classroom funding in violation of South Carolina Code of Laws, [§59-20-40 \(1\)\(a\)](#). **No further action is required**, as the SCDE will reconcile the excess funding on Day 45 of FY 2023-24.

The SIG further determined the District and the Board failed to address enrollment and attendance issues in the following areas:

- b. The District entered incorrect coding in PowerSchool for 32 students.
- c. The District and the Board had not adopted a policy governing student absences giving appropriate consideration to unique situations that may arise within their districts when students do not meet the minimum attendance requirements pursuant to South Carolina Code of Regulations, [§43-274 VII \(B\)](#).
- d. The District failed to identify a Board-approved truancy prevention and intervention plan policy.

Recommendations #5b: The SIG recommends that the District conduct training and implement regular, periodic and aperiodic enrollment/attendance audits.

Recommendation #5c: The SIG recommends that the District adopt a Board-approved truancy prevention and intervention plan policy. It is further recommended that the Board develop policies governing student absences considering unique situations that may arise within their districts when students do not meet the minimum attendance requirements.

Recommendation #5d: The SIG recommends that supervision of and accountability for the truancy prevention and intervention program be assigned to a single director reporting to the superintendent.

Finding 6: The SIG determined that the failure to close the four unattended, active accounts at the time of each consolidation created a high fraud risk for funds totaling \$213,060.28. **No further action is required** as the District closed the accounts and transferred the funds to existing District accounts on 5/11/23.