

# Office of the State Inspector General

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*Brian D. Lamkin*



## **Investigation of Northeastern Technical College's Dual Enrollment Program and Fiscal Affairs**

## **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, and misconduct in agencies, specifically in the executive branch of state government. The SIG's authority is found in South Carolina Code of Laws, [§1-6-10 et seq.](#)

The SIG received a confidential complaint alleging mismanagement and wrongdoing at Northeastern Technical College (NETC). On or around 12/5/23, the SIG initiated an investigation into the alleged financial mismanagement and wrongdoing within the Dual Enrollment Program, as well as any associated wrongdoing found during the investigation.

The purpose of this report is to provide a road map for NETC's leadership and its Area Commission to improve its delivery and efficiency of quality education to its students. This review focused on the broader issues confronting NETC in the areas of dual enrollment and fiscal affairs. The SIG's report is not intended to address every individual complaint or issue conveyed to the SIG.

The SIG did not identify criminal activity in the materials reviewed. However, the fraud risk level is assessed at the moderate to moderately-high level due to significant deficiencies and material weaknesses in its fiscal practices and lack of internal controls in its governance.

The SIG extends its appreciation to the NETC president, Dr. Kyle Wagner, current and former NETC staff, and members of the Area Commission for their cooperation and intentionality of seeking solutions to the issues identified by the SIG. The SIG also extends its appreciation to the local school districts who participate in programs offered by NETC, for the candor, courage, and valuable input provided to the SIG during this investigation. In addition, the SIG is appreciative of the assistance from the South Carolina Commission on Higher Education, the South Carolina Department of Education, the South Carolina Technical College System, and the person(s) who initiated confidential contact with the SIG.

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[Agency Response dated 12/17/24](#)

## **II. Background**

### **A. Predicate**

This investigation was initiated from a confidential complaint that alleged Northeastern Technical College (NETC) senior officials purposefully enrolled high school students in the college's Dual Enrollment Program without their knowledge or consent, nor permission of their parent or guardian.

### **B. Scope and Objectives**

The scope of the investigation concerned financial mismanagement and wrongdoing within the Dual Enrollment Program, as well as any associated wrongdoing found during the investigation. The review period covered fiscal year (FY) 2017-18 through FY 2022-23. The SIG expanded the scope to include misuse of grant funds through FY 2023-24 based on additional information received by confidential, credible, and corroborated complainants.

### **C. Methodology**

The South Carolina Office of the State Inspector General (SIG) reviewed relevant documentation comprised of reports, financial records, contracts, and other documentation provided by NETC at the SIG's direction. The SIG further reviewed documentation from local school districts that participate in dual enrollment with NETC, as well as applicable state and federal laws, regulations, and policies.

The SIG conducted interviews of NETC staff, Area Commission members, members of the public, subject matter experts including the South Carolina Commission on Higher Education (CHE), the South Carolina Department of Education (SCDE), the South Carolina Technical College System (SCTCS), and person(s) who initiated confidential contact with the SIG.

Reviews and investigations by the SIG are conducted in accordance with professional standards set forth by the Association of Inspectors General's *Principles and Standards for Offices of Inspector General*, often referred to as the "*Green Book*." This investigation used the preponderance of evidence standard.

### **D. Northeastern Technical College**

NETC is a post-secondary institution that awards associate degrees, diplomas, and certificates. NETC is one of the 16 technical colleges that make up the SCTCS and receives local, state, and federal funding. NETC is also financially supported through its internal revenue streams and private donations. NETC's main geographic area of service includes Chesterfield, Marlboro, and Dillon counties. At the time of this investigation, there were six physical campuses in addition to off-campus instruction at ten area high schools. NETC had approximately 90 full time employees, 146 temporary employees, and five temporary grant employees. For the academic school year of 2023 to 2024, there were 2,253 students enrolled at the technical college.

Per NETC's mission statement, a focus of the college is to contribute to economic growth by enhancing the employability of service area residents in the technology, business, health, arts, and science areas. NETC aims to provide quality instructional programs through open admissions, reasonable costs, counseling, advisement, educational technology, financial assistance, and career development services.

Dr. Kyle Wagner began his tenure as NETC president in 2016. Dr. Wagner's cabinet consisted of [senior leadership](#). NETC's Area Commission was the governing body for the technical college.

### **E. Area Commission**

Per the [South Carolina Code of Laws - Title 59 § 59-53-510](#), *the commission consisted of 12 members, three of whom must be qualified electors of Chesterfield County, three of whom must be qualified electors of Marlboro County, and three of whom must be qualified electors of Dillon County. These nine members must be appointed by the Governor upon the recommendation of a majority of the legislative delegation from the county in which the appointee is a resident, for terms of three years and until their successors are appointed and qualify. Vacancies must be filled in the manner of the original appointment for the unexpired portion of the term only. The superintendents of education from Chesterfield, Dillon, and Marlboro Counties are ex-officio members of the commission. One of the superintendents of the three school districts of Dillon County shall serve as a member ex-officio for a term of two years on a rotating basis.*

At the time of this review, membership of the NETC [Area Commission](#) was depicted in Table 1:

**Table 1**

NETC Area Commission	
Chairman	Mr. Dan Bozard
Vice Chairman	Mr. Herbert Gould
Chesterfield County	Mr. Tom Hogge
Chesterfield County	Ms. Kimberly Burch
Chesterfield County	Vacant
Chesterfield County [Superintendent]	Dr. Chan Anderson
Dillon County	Ms. Cindy Causey
Dillon County	Vacant
Dillon County [Superintendent]	Ms. Stephanie Ard
Marlboro County	Mr. Tom Pharr
Marlboro County	Ms. Shaquite Pegues
Marlboro [Superintendent]	Dr. Helena Tillar

### **III. Dual Enrollment Program**

#### **A. Governing Policies and Procedures**

At the time of this review, NETC was accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). SACSCOC defined dual enrollment as courses taught to high school students for which the students receive both high school credit and college credit, to include courses taught under a different name such as “*early college*,” “*dual credit*,” or “*concurrent enrollment*.” SACSCOC’s [Dual Enrollment Policy Statement](#) indicated institutions should ensure students are appropriately advised regarding the collegiate curriculum. SACSCOC also advised that institutions should implement appropriate eligibility and placement procedures to ensure dual enrollment students are prepared for college level courses prior to enrollment.

The State Board for Technical and Comprehensive Education (SBTCE) was the oversight body for the SCTCS and outlined student eligibility for dual enrollment in [Procedure 3-2-100.1](#).

To be eligible for dual enrollment, students must meet the following criteria:

1. *Be classified as a high school junior or senior as determined by the school/district, except as outlined in II.B of this procedure.*
2. *Complete the admissions process for enrollment as required by the individual college's procedures for admitting students under the age of 18 who are not high school graduates.*
3. *Meet the same or comparable requirements for enrollment and placement into the college course as other college students.*
4. *Have the recommendation of the high school principal, or designee, or the designee of the governing school association.*
5. *Provide written permission from the student's parent or guardian.*

As outlined in SBTCE's Procedure 3-2-100.1 and referenced by a senior official at the SCTCS, student eligibility criteria should be included in written agreements between the college and participating local school districts (LSD).

The [Statewide Higher Education Policy for Delivery and Transferability of "Dual Enrollment" Coursework Offered in High Schools](#) stated that dual enrollment courses should be made available only to those who have mastered or nearly mastered the complete high school curriculum and who were capable of college-level coursework.

NETC also had a [Dual Enrollment Procedure 4.2.36](#) dated 9/15/09, and last reviewed on 2/28/13, that mirrored the SBTCE's requirements.

The SIG analyzed records and interviewed numerous individuals to determine if NETC complied with the above referenced policies and procedures as it related to:

- Students enrolled having the recommendation of an LSD designee.
- Students enrolled exemplifying mastery of high school curriculum.
- Maintaining an executed written agreement between NETC and the LSDs.
- Maintaining written permission from the student's parent or guardian.

The SIG determined that NETC was not only in violation of these local policies and procedures but was also in violation of its outdated internal procedures.

### **B. Local School Districts' Participation**

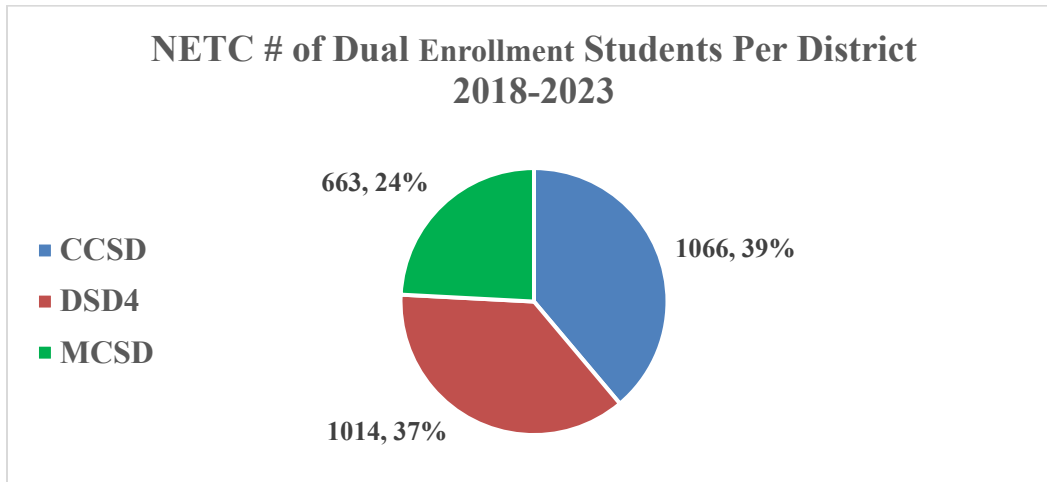
Pursuant to the SBTCE procedure noted above, NETC should have written agreements, referred to as memorandums of agreement (MOA), with each LSD participating in the Dual Enrollment Program which outlined student eligibility and other criteria. NETC collaborated with and offered dual enrollment courses to the following districts and local schools: Chesterfield County School District (CCSD), Dillon Christian Academy, Dillon Applied Technology Center, Dillon School District 3, Dillon School District 4 (DSD4), and Marlboro County School District (MCSD).

### **C. SIG Analysis of Enrollment**

The SIG assessed the Dual Enrollment Program offered to CCSD, DSD4, and MCSD because they had the highest enrollment numbers. The SIG determined the number of dual enrollment students for CCSD, DSD4, and MCSD for academic years 2018 to 2023 was 2,743.

NETC provided the data depicted in Table 2:

**Table 2**



Both CCSD and DSD4 attained the necessary executed MOA with NETC. However, the SIG determined there was not an executed MOA between NETC and MCSD for academic year 2023 to 2024. A senior MCSD official advised that a former MCSD senior official refused to sign an MOA renewal after concerns were raised about the Dual Enrollment Program.

Specifically, the SIG was advised that the former senior official was concerned with the poor academic performance of MCSD students within the program and unexpected bills charged to MCSD students despite the program being touted as free for participants.

The SIG determined that despite there being no active MOA between NETC and MCSD, NETC knowingly continued to offer the program and enrolled students in violation of the SBTCE’s Dual Enrollment Procedure 3-2-100.1. A senior NETC official justified the ongoing enrollment despite no active MOA to provide those students with the opportunity to take dual enrollment courses consistent with NETC’s vision. The SIG noted this was not entirely altruistic because enrolling these students without an MOA still provided NETC with state and federal funds.

The SIG analyzed SCTCS records and determined there were approximately 151 students from MCSD enrolled into the Dual Enrollment Program without an executed MOA for the 2023 to 2024 academic year.

The SIG interviewed NETC staff who worked directly within the Dual Enrollment Program who were not aware of what the MOA between NETC and the LSDs entailed. A staff member that was involved with student recruiting efforts for the Dual Enrollment Program admitted they were not even aware of the concept of an MOA. Another senior official at NETC stated they may have been directed and trained to execute operations within the program that were not in compliance with various policies such as enrolling students who had not mastered or nearly mastered the relevant high school curriculum, enrolling students who were not capable of college-level coursework, and enrolling students from certain LSDs without the necessary MOA.

The SIG was advised numerous times by various senior NETC officials that NETC deliberately targeted the “invisible student,” described as a student with a lower grade point average (GPA). The SIG determined that the “invisible student” model was in direct violation of the SACSCOC and SBTCE policies, which stated students enrolled in dual enrollment courses must have mastered or nearly mastered high school curriculum to participate.

LSDs expressed significant concerns regarding the Dual Enrollment Program with the SIG. The lack of communication and proper procedures, as well as poor internal controls contributed to most of these concerns. Several LSD staff advised that NETC enrolled high school students without the LSD's knowledge and without the students being deemed legally eligible. Senior officials from the LSD's explained that these students were unsuccessful with the program because they lacked the necessary prerequisites. Often, this resulted in a negative impact that was visible on the student's final GPA for both high school and college.

The SIG determined that NETC also failed to report student grades to the LSDs in a timely manner so that the grades could be entered in the student's school records. This caused undue stress to rural South Carolina families. The LSDs advised that grades were, at times, sent inaccurately, and that NETC failed to inform the LSD that students were underperforming. Following interviews and a review of correspondence provided by LSD senior officials, the SIG observed that some students had single digit grades.

The officials at the LSDs made it clear that their priority was student success. While the LSDs wanted to offer dual enrollment courses to enhance students' opportunities for learning, they expressed concerns about protecting the high school students who were otherwise ineligible. Those students had not mastered or nearly mastered high school curriculum and were not yet capable of completing college-level coursework.

Officials at the LSDs advised that their enrollment numbers for the Dual Enrollment Program would differ from NETC's due to the students being enrolled without the LSDs' knowledge or approval. When a senior official at NETC was questioned regarding the validity of NETC's reported dual enrollment numbers, they replied: "*the data is only as good as who put it in there.*"

#### **D. Fast Track Advising Program**

NETC implemented an "*Academic Fast Track Advising Program*," that was often referred to as "*autoenrollment*," because some high school students were eventually automatically enrolled in NETC classes invisibly.

A senior SCTCS official advised that there were no state policies or procedures that addressed local student registration and enrollment, but that it should have been common practice for NETC to produce their own procedures. The SIG determined that while NETC did have a statement in its student handbook which discussed this process, it did not have a formalized policy or procedure regarding the Fast Track Advising Program. Most of the parents with students enrolled in the Dual Enrollment Program were not aware of this process. This supported the SIG's assessment that NETC failed to keep students, who were primarily minors, and their parents fully apprised of what the process entailed. The SIG's review of the Area Commission meeting minutes failed to reveal any approval of any related policies.

Per the [NETC's Student Handbook](#):

1. *Students are registered for course plans two to three terms in advance to ensure they stay on track for completion.*
2. *There should be touchpoints throughout the terms which requires communication between staff and students to ensure students review their schedules.*
3. *Students are expected to keep their contact information up to date so communication can take place.*

A senior official at NETC stated the Fast Track Advising Program created issues due to ineffective internal controls surrounding the program. The SIG determined that students within the program were often marked as "*no shows*" or "*drops*." When NETC staff contacted students who were absent, the students often reported that they were unaware that they were enrolled. This created additional work to correct financial aid calculations, as well as internal paperwork to retroactively drop students from the class(es).



During an internal discussion regarding the defects in the NETC enrollment process as applied, staff openly discussed concerns, and a senior official warned *there are extreme concerns from a legal, ethical, and regulatory standpoint*. Similarly, during internal NETC discussions, concerns were raised regarding an inability to adequately explain the defects in the enrollment numbers if regulators raised questions.

An SCDE official described NETC’s automatic enrollment of high school students into courses through their Fast Track Advising Program as “*predatory*.” The SIG determined that this practice also constituted a fraud risk. The SCDE official further advised the SIG of prior complaints which stemmed from NETC’s recruiting efforts. Complaints were made that alleged NETC recruited children in grades as low as the 8<sup>th</sup> grade, who were otherwise ineligible to participate in the Dual Enrollment Program. This led to a [Dual Enrollment Training](#) in 2021 between the SCDE and NETC, where SCDE officials presented materials to further clarify guidelines and key steps in the dual enrollment process.

The SIG determined that automatically enrolling students into classes without their knowledge led to the potential inflation of enrollment numbers at NETC. The SIG further determined that the Fast Track Advising Program risked negatively impacting dual enrolled students’ academic standing and their access to future financial aid.

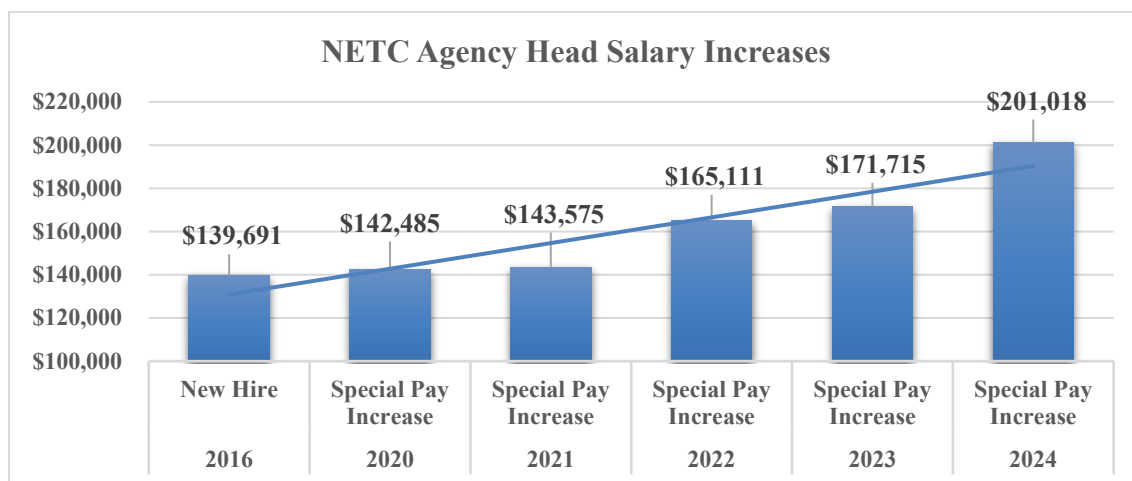
NETC’s continued practice of automatic enrollment of students into multiple courses without their permission or knowledge constituted an exploitation of a rural population, that included minors, see: [SCDE Poverty Data Overview](#).

During an Area Commission meeting, a senior official from NETC explained “*there is not one number that would show the enrollment for the college because enrollment is captured throughout the year*.” Senior officials at NETC further elaborated to the SIG that enrollment numbers reported to the Area Commission were notably high yet would decrease dramatically following Area Commission meetings.

The SIG determined that the NETC president received performance-based salary increases justified in part by the increased enrollment numbers. A 1,680% spike in dual enrollment was cited in the 2019 to 2020 agency head performance evaluation. The president’s salary increased from \$139,691 to \$201,018 during his tenure.

The president’s salary increases are depicted in Table 3:

**Table 3**



## E. Financing of the Dual Enrollment Program

After reviewing [Dual Enrollment Fast Facts](#) published by the SCTCS, the SIG determined there were multiple different funding streams designed to alleviate the financial burden to students in the Dual Enrollment Program:

1. *Student may receive South Carolina Lottery Tuition Assistance (LTA) if they enroll in at least 6 credit hours.*
2. *Participating School Districts may pay a portion of the costs.*
3. *The technical college may absorb some or all the costs.*
4. *Student/parents may be responsible for any unmet costs and may pay out-of-pocket.*
5. *Students who receive Lottery Tuition Assistance and are majoring in a critical workforce area or meet free- and reduced-price meals are eligible to also receive funds through the SC Workforce Industry Needs Scholarship (SCWINS).*

The CHE acts as the coordinating board for the institutions of higher learning and administers the funds to be disbursed by the SCTCS. The SCTCS provided information as it relates to South Carolina Lottery Tuition Assistance (LTA) funding for the Dual Enrollment Program. Both enrollment numbers and credit hours were directly tied to the amount of funding provided to NETC. A senior SCTCS official notified the SIG that LTA funding is a lump sum amount disbursed to each technical college based on the total number of students enrolled. NETC received funding based on student enrollment numbers and credit hours. These students may not have been aware they were enrolled, which constituted a potential fraud risk.

The SCTCS advised that technical colleges reported initial open enrollment numbers earlier in the semester and then reported revised closed numbers later to reflect changes in enrollment. The closed numbers were used for funding purposes. The SCTCS provided the following data regarding lottery assistance funding provided to NETC for dual enrollment, as depicted in Table 4:

**Table 4**

Year	# of Students Open	# of Students Closed	LTA Funding
2018	622	624	\$ 476,962.70
2019	995	938	\$ 641,953.10
2020	1,049	1,036	\$ 587,843.00
2021	1,333	1,317	\$ 648,801.00
2022	1,281	1,174	\$ 1,270,628.93
2023	1,344	681	\$ 501,402.28
<b>TOTAL</b>	<b>6,624</b>	<b>5,770</b>	<b>\$ 4,127,591.01</b>

At least 151 MCSD students, who were deliberately enrolled by NETC into the Dual Enrollment Program in the absence of an executed MOA, received state funding ultimately flowing to NETC. The SIG determined that these students should not have been enrolled, thus, the funding received for these courses should have not been requested, obtained, or utilized.

The SIG determined that NETC mismanaged the enrollment of students from MCSD for the 2023 to 2024 academic year, which resulted in fewer funds available to other students who were appropriately enrolled.

In addition to this state funding, the SIG determined that LSDs also received bills from NETC for a portion of the associated costs. The SIG verified that NETC billed one LSD \$74,999.68 for dual enrollment associated costs for the fall semester of 2023. NETC's alleged target was \$75,000 and there were 112 students used for

billing, so NETC set the price at \$669.64 to achieve that total. However, it was reported to the SIG that the bill was invalidly calculated because the district was charged the same amount for every student despite some students taking varying credit hours. NETC was unable to collect these funds due to poor record keeping and because the computed amount billed to the LSD could not be verified. NETC's failure to properly bill and collect funds from the LSDs constituted financial mismanagement and waste.

Former students and their parents notified the SIG that NETC staff assured them that the Dual Enrollment Program would be "*free*," or "*no cost*." However, the various funding streams available did not always cover a student's entire bill. As a result, students and parents were left with unpaid balances on their accounts and received unexpected bills.

The SIG determined that NETC officials were aware of complaints from students claiming they received bills from NETC when they never enrolled or registered for classes. A senior NETC official confirmed tax refunds were garnished from parents of students due to outstanding balances for the Dual Enrollment Program. This same senior official advised the SIG that he/she was not confident in the outstanding balance amounts, so he/she directed the business office to cease collections.

The SIG determined that a lack of internal controls and poor record keeping contributed to mismanagement within the Dual Enrollment Program. The SIG was advised that NETC's accounting system was "*outdated and meticulous*" to navigate which contributed to some of the issues. The system was so poor, and staff turnover was so high, that NETC could not determine the accuracy of student balances. This contributed to NETC sending an inaccurate bill to an LSD or possibly writing off the debt.

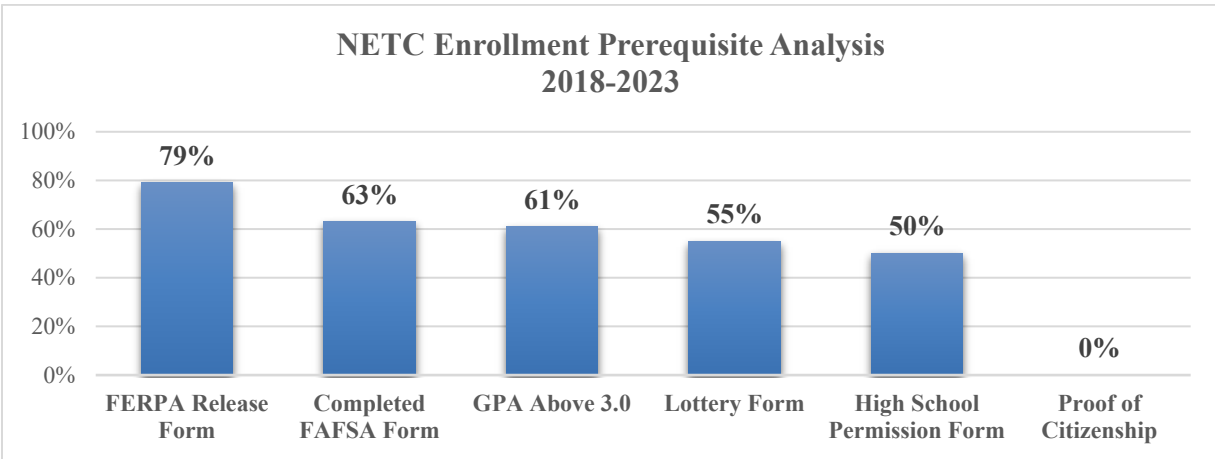
NETC leadership and the Area Commission were aware that student accounts were not reconciled with student billing per Area Commission minutes. In 2021, a consulting firm was hired and tasked with correcting certain issues in relation to student accounts. The SIG observed that NETC may not have needed to hire and expend funds on a consulting firm for basic operations had it properly maintained records. The SIG determined this potentially needless expenditure constituted a waste.

The SIG assessed that NETC's financial mismanagement led to deficiencies in funding for the Dual Enrollment Program and created the risk of NETC operating at a deficit. The SIG further assessed that writing off debt in relation to dual enrollment instead of verifying the actual amount owed was wasteful and financially irresponsible.

#### **F. Dual Enrollment Program Analysis**

NETC notified the SIG that there were approximately 2,743 students who participated in the Dual Enrollment Program at NETC from academic years 2018 to 2023 within CCSD, DSD4, and MCSD. The SIG obtained and reviewed a sample number of records to determine student eligibility for the program, and whether NETC had the proper forms on file for students participating pursuant to the MOAs. For purposes of this report, the SIG sampled 38 student records and determined that NETC failed to retain the following percentages of records depicted in Table 5:

**Table 5**



The above referenced prerequisites are outlined in the MOAs between NETC and the LSDs as required prior to registration and enrollment. The SIG determined that NETC did not maintain proper student records pursuant to the requirements of the MOAs.

Pursuant to the SBTCE Dual Enrollment Procedure 3-2-100, students must provide written permission from their parent or guardian to be eligible for dual enrollment courses. The SIG was unable to determine how many students had the required written parent or guardian permission on file because forms were not retained during the COVID-19 pandemic. NETC officials also stated to the SIG that NETC failed to maintain written permission(s) for an alarming number of students.

The [COSO Internal Control – Integrated Framework](#) stated that maintaining quality of information is necessary to any effective internal control system. The information should be accessible, correct, current, protected, retained, sufficient, timely, valid, and verified. NETC failed to retain the above referenced data for student admission paperwork related to the Dual Enrollment Program.

To further analyze NETC’s Dual Enrollment Program, the SIG performed telephonic surveys of 39 random parents of students who participated in dual enrollment coursework. Of the 39 parents, 12 answered and voluntarily participated. Parents expressed the following sentiments to the SIG, as depicted in Table 6:

**Table 6**

NETC Telephone Data Analysis 2018-2023	
	Percentage
Autoenrolled Without Knowledge	67%
Positive Experience Overall	58%
Misled to Believe Courses Were Free/No Cost	58%
Breakdown in Communication	50%
Negative Fiscal Impact	42%
Negative Experience Overall	42%

Most of the parents and students surveyed were not aware of NETC’s Fast Track Advising Program practices. Some of the students included in this survey sample were enrolled in the same course up to five times. Those students were marked as a “no show” or “drop” for one semester, only to be automatically enrolled in the same course the following semester. This process was repeated every time the students did not attend. More than

half of the parents surveyed informed the SIG they were incorrectly advised by NETC that the Dual Enrollment Program would be “free” or “no cost.”

### **G. Findings and Recommendations – Dual Enrollment Program**

**Finding Sec. III – 1:** The SIG determined that NETC’s dual enrollment procedure was outdated. The procedure was last reviewed on 2/28/13.

**Recommendation Sec. III – 1:** NETC should review their dual enrollment procedures and make periodic updates as needed.

**Finding Sec. III – 2:** The SIG determined that NETC failed to adhere to policies and procedures governing the Dual Enrollment Program’s eligibility criteria.

**Recommendation Sec. III – 2:** NETC should develop practices that adhere to applicable policies and procedures that govern the Dual Enrollment Program to ensure it follows eligibility criteria.

**Finding Sec. III – 3:** The SIG determined that NETC enrolled students into the Dual Enrollment Program from MCSD without an executed MOA. This finding is mitigated by NETC’s obtainment of an executed MOA with MCSD during this investigation. **No further action is required.**

**Recommendation Sec. III – 3:** NETC should ensure it has compliant written agreements with LSDs who participate in the Dual Enrollment Program.

**Finding Sec. III – 4:** The SIG observed NETC staff working directly with the Dual Enrollment Program were unaware of the policies and procedures governing the program.

**Recommendation Sec. III – 4:** NETC should ensure proper training and onboarding regarding policies and procedures within the Dual Enrollment Program for newly hired employees and periodic training for current employees.

**Finding Sec. III – 5:** The SIG observed that NETC failed to maintain proper records for eligibility and admission requirements for the Dual Enrollment Program.

**Recommendation Sec. III – 5:** NETC should develop policies and procedures for compliant retainment of student records and forms for the Dual Enrollment Program.

**Finding Sec. III – 6:** The SIG determined that NETC implemented a Fast Track Advising Program process without formalized policies or procedures.

**Recommendation Sec. III – 6:** NETC should immediately cease their Fast Track Advising Program, autoenrollment process, and enrollment of students without their knowledge until it corrects the deficiencies in enrollment practices and formulates attainable policies and procedures to outline this process.

**Finding Sec. III – 7:** The SIG determined that NETC’s failed enrollment process resulted in unreconciled balances in student financial accounts.

**Recommendation Sec. III – 7:** NETC should conduct a thorough examination and reconciliation of each student’s financial account.

## **IV. Fiscal Affairs**

### **A. Financial Audits**

NETC is a state-supported technical institution per South Carolina Code of Laws § 59-53-20 and is required to submit annual financial audits to SCTCS and the United States Department of Education (DOE). [SCTCS’s policy 7-5-101](#) required that “*all colleges in the System be audited annually.*” NETC is required to submit their audit annually to the DOE per Code of Federal Regulations (CFR) [Title 2 § 200.501 - Audit Requirements](#). NETC was late in submitting the annual audit to SCTCS and the DOE for FY 2023 and FY 2024. NETC did not submit their FY 2023 audit until 3/15/24, almost six months after the due date of 9/30/23.

The SIG reviewed the annual audits submitted to the [Federal Audit Clearinghouse](#) from FY 2018 to FY 2023. In [2020](#), [2021](#), [2022](#), and [2023](#), the audits revealed significant internal control weaknesses and exceptions regarding financial statements. The 2021 and 2022 audits revealed significant internal control weaknesses regarding the handling of federal awards. A senior NETC official agreed with the audit findings and stated that NETC was working to find a resolution.

On 9/1/23, the DOE placed NETC on [Heightened Cash Monitoring](#) (HCM) for not submitting its annual audit by the due date. This indicated that NETC was not financially responsible. The Federal Student Aid (FSA) website defines HCM as “*a step that FSA can take with institutions to provide additional oversight for a number of financial or federal compliance issues, some of which may be serious and others that may be less troublesome.*” NETC has appeared on the FSA’s website as being on HCM every quarter from 9/1/23 to 9/1/24.

On 8/31/21, the South Carolina Division of Procurement Services of the South Carolina State Fiscal Accountability Authority conducted a [procurement audit](#) of NETC. The audit cited numerous violations and failures, including illegal or unauthorized construction and other findings stemming from a failure to properly maintain documentation. The areas identified in the audit were concerning and appeared to have worsened over time.

### **B. Check Register Transactions**

The SIG requested supporting documentation for 137 check register transactions that involved staff from FY 2017 through FY 2023. The SIG determined that 38 of the check register transactions were destroyed in compliance with the [South Carolina Archives and History](#) retention schedule for colleges and universities. The SIG subsequently analyzed 99 check register transactions and found 29 exceptions.

The SIG determined that NETC issued employee reimbursements that were not in compliance with the [South Carolina Disbursement Manual](#) and its internal financial policies. The SIG categorized the unallowable disbursements into four categories: lack of sufficient documents, promotional activity policy violations, lack of travel documentation, and a reimbursement over the U.S. General Service Administration (GSA) Rate without justification. Details of the unallowable disbursements are depicted in Table 7:

**Table 7**

Description of Exception	No. of Instances	Dollar Amount
No Purchase Order	14	\$ 53,587.50
Lack supporting documents for non-travel	4	\$ 4,398.07
Promotional Activities Policy violation	3	\$ 10,150.00
Lack of travel documentation	7	\$ 18,359.80
Reimbursement over GSA Rate	1	\$ 104.78
<b>Total</b>	<b>29</b>	<b>\$ 86,600.15</b>

- No purchase order and lack of supporting documents for non-travel reimbursements: The SIG determined that NETC violated its internal accounts payable policy (6.2.1) by making payments without a requisite purchase order on at least 14 occasions. The SIG also determined that NETC violated this same policy by making payments without any supporting documentation on four occasions. The SIG concluded that these 18 payments totaling \$57,985.57 constituted a waste.
- Promotional Activities policy violation: The SIG determined that NETC violated its internal policy (6.2.11) for promotional items. The SIG identified two transactions totaling \$4,150 for vinyl wrapping services on a municipal bus that were not approved by the NETC President. The SIG identified a third transaction in the amount of \$6,000 for a year-long full-page advertisement in a high school sports publication from August 2019 through August 2020 that lacked requisite approval. The SIG determined that the three transactions totaling \$10,150 were unallowable expenditures per NETC’s Promotional Activities Policy and constituted a waste.
- Lack of travel documentation: The SIG determined that NETC paid travel reimbursements to employees on seven occasions when there were no agendas included in the supporting documents. The SIG determined that NETC reimbursed employees a total of \$18,359.80 without sufficient supporting documentation, which constituted a waste. See: [Regulations for Reimbursement for Travel and Subsistence Expenses 6.1.7](#).
- Reimbursement over GSA Rate: The SIG identified two transactions by a senior NETC official who traveled twice to Columbia, SC, in January 2024 and was reimbursed for lodging above the established GSA rate. The supporting documentation did not include an approved justification form for this higher rate. The SIG observed that the \$104.78 reimbursement to the employee was above the GSA rate and constituted a waste. See: State of South Carolina Statewide Disbursement Regulations.

In addition, the SIG determined that NETC made two payments of \$47,000 and \$44,850 to the NETC Foundation to lease property for NETC’s Marlboro campus and for reimbursement of acoustic sound panels and drainage at NETC’s Pageland campus, respectively. The SIG further determined that neither payment had the written approval of a director of finance at NETC. The transfer of NETC funds to NETC’s component foundation bypassed the applicable procurement rules. Similarly, the signatory on NETC check(s) was a member of the payee organization. The SIG concluded that this constituted a significant fraud risk.

### C. Grant Management

NETC obtained a portion of its funding through grant disbursements from various sources, including but not limited to state and federal agencies. During the SIG’s investigation, several NETC officials alleged that NETC mismanaged grant funds. The SIG selected and reviewed a sample of expenses from eight grants that NETC received funding between FY 2018 through FY 2024.

Details of the total amounts of the grants reviewed by the SIG are depicted in Table 8:

**Table 8**

<b>Grant Funding 2018-2024</b>	<b>Dollar Amount</b>
Predominantly Black Institutions Competitive Program	\$ 3,586,466.00
South Carolina Education Lottery Grant	\$ 1,262,971.71
Pathway to Diesel Technology	\$ 272,337.00
United States Dept of Commerce Economic Development Administration	\$ 333,813.68
Strengthening Community College Training Round Three	\$ 123,823.87
Rural Economic Development Loan & Grant Programs	\$ 85,782.57
NETC Aviation Maintenance and Career Development Program	\$ 55,420.21
Childcare Access Means Parents in School Program	\$ 42,943.59
<b>Total</b>	<b>\$ 5,763,558.63</b>

#### Predominantly Black Institutions Grant

The Predominantly Black Institutions Grant (PBI) disbursed by the DOE aimed to help predominantly black institutions to establish or strengthen programs in the following areas:

- Science, technology, engineering, or mathematics (STEM).
- Health education.
- Internationalization or globalization.
- Teacher preparation.
- Improving educational outcomes of African-American males.

The SIG sampled 224 transactions of this grant as part of the analysis. NETC was unable to provide supporting documentation for 116 transactions totaling \$448,614.41. The grant’s retention period is governed federally by [§2CFR 200.334](#). Which, at the time of the SIG’s review, stated that “*The recipient and subrecipient must retain all Federal award records for three years from the date of submission of their final financial report.*”

Additionally, the [South Carolina Code of Regulations §12-804.17 Grant Files \(Active and Inactive\)](#) stated that grant files have a retention period of three years after the grant becomes inactive. The grant was extended twice and eventually became inactive on 10/30/22.

An NETC senior official alleged that an NETC employee responsible for grant management negligently destroyed the files (see §12-804.17). Subsequently, the SIG was unable to verify the legitimacy of these transactions due to the lack of supporting documentation resulting from the alleged destruction.

Additionally, NETC was unable and/or unwilling to provide the SIG with the PBI grant budgets for FY 2020 through FY 2022, which impacted 73 transactions totaling \$371,450.82. Therefore, these expenditures were unable to be tested. The grant budget provided guidance to NETC regarding allowable expenditures, overall limits, and grant budget line items.



Consequently, NETC mismanaged the retention of the PBI grant files and budget which contained the expenditure record of \$820,065.35 in taxpayer dollars. The SIG determined that NETC exposed itself to substantial risk if allegations arose from other stakeholders of fraud, waste, or abuse of PBI grant funding.

#### South Carolina Education Lottery Grant

Pursuant to [South Carolina Code of Laws § 59-150-360](#), the Lottery Tuition Assistance Program for two-year public and independent institutions provides tuition assistance to students who qualify for in-state tuition rates. [Proviso 3.6](#) (LEA: FY 2023-24 Lottery Funding) of the 2023 to 2024 Appropriations Act governs lottery fund disbursements. The Lottery Funding proviso specified the amount of lottery funds that were allocated to the different types of scholarships in South Carolina.

In Proviso 3.6, it specified the following: “[o]f the funds appropriated to the Commission of Higher Education for Institutions of higher learning entitled ‘Technology- Public Four-Year Institutions, Two Year Institutions, and State Technical Colleges’ (Technology), the commission shall allocate the realized funds on a proportional basis.” It further specified that “[e]ach institution shall use the amount appropriated only for technology repair and related technology maintenance and/or upgrades that are necessary to support an institution’s educational purpose.”

The SIG sampled 51 transactions from this grant and determined that NETC expended lottery grant funds for three transactions totaling \$72,434.49, without a requisite purchase order. The SIG determined this was in violation of NETC policy 6.2.1, which constituted a waste.

#### Pathways to Diesel Technology Careers for High School and Community College Students

The [Pathways to Diesel Technology Careers for High School Students and Community College Students](#) (Pathways to Diesel) is a grant funded by the United States National Science Foundation that was aimed at developing a new diesel mechanics’ curriculum that incorporated best practices and existing resources in dual enrollment. This grant also focused on providing career preparation to rural and underserved students and aimed to develop a model for diesel technology programs intended to produce highly skilled technicians.

The SIG sampled 27 transactions for this grant and found 12 exceptions. Details of these exceptions are depicted in Table 9:

**Table 9**

Description of Exceptions	No. of Instances	Dollar Amount
No purchase order	3	\$ 26,542.42
Mismanagement of grant funds	1	\$ 24,750.00
Lack of supporting documentation	8	\$ 5,565.59
<b>Total</b>	<b>12</b>	<b>\$ 56,858.01</b>

The SIG determined that NETC paid a vendor \$24,750 to research and write grant proposals for the technical college for the first quarter of 2021. The vendor advised the SIG that they provided grant writing and research services for multiple grants, not just the Pathways to Diesel grant.

The SIG determined that NETC charged the entire \$24,750 to the Pathways to Diesel grant, which constituted mismanagement of the grant funds. The SIG further determined that an additional 11 expenditures were made in violation of NETC’s internal policies, which constituted a waste of \$32,108.01.

United States Department of Commerce Economic Development Administration

The United States Department of Commerce Economic Development Administration (EDA) provides grants to economically distressed communities to generate new employment and stimulate industrial and commercial growth. A grant was allocated to NETC for the purpose of renovating the former Winn-Dixie building and the construction of two additional structures to transform the building into NETC’s Marlboro Campus. NETC did not own this property and it was leased from the NETC Foundation.

The SIG sampled 23 transactions from this grant and found seven exceptions. Details of the exceptions are depicted in Table 10:

**Table 10**

Description of Exceptions	No. of Instances	Dollar Amount
Lack of supporting documentation	4	\$ 161,469.59
Mismanagement of grant funds	3	\$ 6,647.46
<b>Total</b>	<b>7</b>	<b>\$ 168,117.05</b>

The SIG determined that NETC violated its internal policies by making payments without requisite supporting documents in the amount of \$161,469.59, which constituted a waste. The SIG identified three payments totaling of \$6,647.46 that should have been allocated to the Pathways to Diesel grant. Consequently, NETC mismanaged \$6,647.46 in EDA grant funds by charging the expenditures to the incorrect grant(s).

Strengthening Community College Training Grants – Round Three

The Strengthening Community College Training Grants – Round Three (SCC3) grant was designed to help people in marginalized and underrepresented populations overcome barriers to career and technical education programs and connect them with quality jobs. This grant was part of the South Carolina Rural Technical College Consortium (SCRTCC) with Denmark Technical College and Williamsburg Technical College. The SCRTCC was allocated \$4,900,636 over four years with NETC leading this consortium.

The SIG sampled 32 transactions from this grant and found 12 exceptions.

The SIG determined that NETC made seven unallowable expenditures using SCC3 funds to pay for registration fees and travel for an employee to attend a seminar in West Virginia. The SIG determined that these expenses were not included in the approved grant budget and therefore should not have been billed to the SCC3 grant. During the investigation, a senior NETC official notified the SIG that he/she was aware of this error and planned to submit a budget revision to make these expenditures allowable.

The SIG determined that NETC violated its internal policies by making payments without requisite supporting documents in the amount of \$11,564.62, which constituted a waste. The SIG further determined that NETC mismanaged \$740.10 of SCC3 grant funds by charging the expenditures without a budget approval for this expense. Details of the exceptions are depicted in Table 11:

**Table 11**

Description of Exceptions	No. of Instances	Dollar Amount
Lack of supporting documentation	5	\$ 11,564.62
Unallowable expenditures	7	\$ 740.10
<b>Total</b>	<b>12</b>	<b>\$ 12,304.72</b>

Rural Utilities Service’s Distance Learning and Telemedicine Loan and Grant Program

The Rural Utilities Service’s (RUS) Distance Learning and Telemedicine (DLT) Loan and Grant Program funded by the United States Department of Agriculture is governed by [7 CFR 1734](#).

The SIG sampled nine transactions from this grant and found four exceptions. The grant agreement stated: “[t]he grantee shall obtain the prior written approval of RUS for any material change to the scope, budget, design, construction, delivery of services, or objectives of the Project.” The SIG determined that NETC purchased equipment that totaled \$15,191.44 and were unapproved expenses that did not appear on the approved grant budget. Details of the unallowable expenditures are depicted in Table 12:

**Table 12**

Description of Exceptions	No. of Instances	Dollar Amount
Unallowable expenditures	2	\$ 15,191.44
No purchase order	2	\$ 8,560.08
<b>Total</b>	<b>4</b>	<b>\$ 23,751.52</b>

The SIG determined that NETC spent \$15,191.44 on unallowable expenditures and made two payments totaling \$8,560.08 without a purchase order, which constituted a waste.

Aviation Maintenance Veterans Career Development Program

The Veterans Educational Expansion and Access in Rural Communities project was a program managed by the DOE and disbursed as a grant to NETC. The grant was named the Aviation Maintenance Veterans Career Development Program (Aviation Maintenance Program). The purpose of the project was to “[f]acilitate industry transition training for current and former members of the U.S. armed forces in the aviation industry.” NETC was allocated \$1,999,999 over a three-year period from 9/1/22 through 8/31/25.

The SIG analyzed all 28 of the transactions for this grant and found ten exceptions. The SIG determined that NETC hired an employee as a temporary grant employee when the position was listed as an independent contractor. The employee was not part of NETC’s local community, but resided outside of the state and was reimbursed for airfare, hotels, and rental cars to travel to NETC.

The SIG determined that while expenditures were made by NETC and charged to the Aviation Maintenance Program, NETC did not request any [drawdowns](#) as of September 2024. The SIG observed that NETC risked losing access to the funds by its continued delay until the imminent expiration of the performance period to request funds from the \$1,999,999. At the time of this investigation, the SIG further observed that all remaining funds would remain with the DOE unless an extension was given to NETC by 9/30/25. Details of the unallowable expenditures are depicted in the Table 13:

**Table 13**

Description of Exceptions	No. of Instances	Dollar Amount
No purchase order provided	1	\$ 18,680.36
Lack of travel documentation	4	\$ 2,620.69
Lodging over GSA Rate	2	\$ 683.10
Lack of supporting documentation	3	\$ 433.56
<b>Total</b>	<b>10</b>	<b>\$ 22,417.71</b>

The SIG determined that NETC spent \$22,417.71 for unallowable items, which constituted a waste.

Childcare Access Means Parent in School

The Childcare Access Means Parent in School grant provided funds to support campus-based childcare programs that primarily served the needs of low-income students. These funds were also used to serve the childcare needs of the community served by the institution. The SIG sampled eight transactions from this grant and found that NETC had three transactions which lacked a purchase order totaling \$18,635.80.

The SIG determined that NETC spent \$18,635.80 in violation of NETC’s internal policies, which constituted a waste of taxpayer funds.

**D. Findings and Recommendations – Fiscal Affairs**

**Finding Sec. IV – 1:** The SIG determined that NETC lacked supporting documentation for 38 payments in the amount of \$183,431.43. In addition, NETC did not follow its own internal policies on promotional activities and accounts payable in the amount of \$208,590.65.

**Recommendation Sec. IV – 1:** NETC should develop and implement proper record keeping policies.

**Finding Sec. IV – 2** The SIG observed that NETC lacked sufficient travel documentation for expenses for three payments in the amount of \$20,980.49.

**Recommendation Sec. IV – 2:** NETC should implement compliant record keeping policies for travel expenses.

**Finding Sec. IV – 3:** NETC failed to provide the SIG with the PBI grant budget following multiple requests.

**Recommendation Sec. IV – 3:** NETC should develop policies and procedures to ensure the maintenance of grant documentation in accordance regulation §12-804.17.

**Finding Sec. IV – 4:** The SIG determined that NETC mismanaged, misused, and made unallowable payments at least 16 times that totaled at least \$48,116.88.

**Recommendation Sec. IV – 4:** NETC should establish a centralized grant system to properly manage expenditures and develop appropriate internal controls to prevent mismanagement and misuse of taxpayer funds.

**Finding Sec. IV – 5:** The SIG observed that two payments totaling \$91,850 were made directly to the NETC Foundation without approvals from the director of finance.

**Recommendation Sec. IV – 5:** NETC’s director of finance should review and approve all payments made to the Foundation and develop proper internal control measures to prevent unapproved payments.

## V. Summary

While the SIG respects and encourages maximization of dual enrollment for qualifying SC students, unfortunately NETC’s fast track enrollment initiative appeared to have been rushed and not fully vetted, including not having the appropriate administrative systems in place to prevent errors. The SIG fully supports NETC’s goals to support, encourage, and engage with the “invisible student” - however it absolutely must be done so with great care to ensure those students are provided with a positive first impression and experience with higher education, otherwise the risk of those targeted students becoming disenfranchised is inevitable.

NETC failed one or more invisible students, transforming them, via a flawed fast track scheme, into ghost students - haunting the reliability of NETC’s enrollment numbers. Inflated enrollment numbers provided additional funding to NETC which served select faculty and staff justifying salary increases and/or bonuses. Due to the inadequacies of NETC staff, some students were left with grade discrepancies, issues with financial aid eligibility at future institutions, and unreconciled student account balances.

As to the fiscal affairs issues discussed throughout, the issues can mostly be summed up under the guise of lack of training, and lack of qualified staff – including both having appropriate internal policies as well as implementing these policies. NETC officials explained to the SIG that they are not ignorant of these issues and that the struggle is hiring and retaining qualified staff – who live in the local area or are willing to relocate – at the available salary levels.

The failure to follow fiscal policies and regulations designed to protect the college against inaccurate accounting and reporting resulted in substantial examples of internal control, and governance and oversight deficiencies and weaknesses. These deficiencies and weaknesses unnecessarily elevated the risk of fraud over the expenditure of Area Commission-approved budgets.

Set forth in Table 14 are the exceptions totaling \$461,119.45 that represent significant deficiencies and material weaknesses in the NETC’s failure to govern and provide fiscal oversight of its state and federal funds.

**Table 14**

Exceptions	Total
Lacked Support Documentation-non travel	\$ 183,431.43
Lacked Travel Support Documentation	\$ 20,980.49
No Purchase Order	\$ 198,440.65
Mismanagement of Grant Funds	\$ 31,397.46
Unallowable Expenditures	\$ 15,931.54
Promotional Activities Policy Violation	\$ 10,150.00
Reimbursement over GSA Rate	\$ 787.88
<b>Total</b>	<b>\$ 461,119.45</b>

**Recommendation:** NETC should consider organizing with the appropriate state agencies and develop an approach towards a robust shared services model. NETC and the other technical colleges can work together with the SC Technical College System, the SC Department of Administration, and the South Carolina

Department of Education to explore options for these overhead administrative type functions, e.g. procurement, HR, payroll, finance, grant management, audit compliance, IT, bookkeeping, etc.

## **VI. Way Forward**

The SIG identified several areas of concern as detailed in the Findings and Recommendations sections of this report and provided recommendations to enhance NETC's internal controls and processes. The SIG did not identify criminal activity or indication of fraudulent activity. However, the risk of fraud is elevated at the moderate to moderately-high level given the significant deficiencies and material weaknesses in the lack of internal controls and unsupported expenditures.

The purpose of this report is to provide a road map for NETC's leadership and its Area Commission to improve in its delivery of quality education to its students in a unified effort. This review focused on the broader issues confronting NETC in the areas of dual enrollment, and fiscal affairs. The report did not address every individual complaint or issue conveyed to the SIG.

The SIG extends its appreciation to Dr. Wagner, Area Commission members, and NETC staff 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, students, and constituents of NETC for the candor, courage, and valuable input provided to the SIG during this review. In addition, the SIG is appreciative of the assistance of the South Carolina Technical College System, the South Carolina Commission on Higher Education, and the South Carolina Department of Education.

# **Compilation of Findings and Recommendations**

## **Section III – Dual Enrollment Program**

**Finding Sec. III – 1:** The SIG determined that NETC’s dual enrollment procedure was outdated. The procedure was last reviewed on 2/28/13.

**Recommendation Sec. III – 1:** NETC should review their dual enrollment procedures and make periodic updates as needed.

**Finding Sec. III – 2:** The SIG determined that NETC failed to adhere to policies and procedures governing the Dual Enrollment Program’s eligibility criteria.

**Recommendation Sec. III – 2:** NETC should develop practices that adhere to applicable policies and procedures that govern the Dual Enrollment Program to ensure it follows eligibility criteria.

**Finding Sec. III – 3:** The SIG determined that NETC enrolled students into the Dual Enrollment Program from MCSD without an executed MOA. This finding is mitigated by NETC’s obtainment of an executed MOA with MCSD during this investigation. **No further action is required.**

**Recommendation Sec. III – 3:** NETC should ensure it has compliant written agreements with LSDs who participate in the Dual Enrollment Program.

**Finding Sec. III – 4:** The SIG observed NETC staff working directly with the Dual Enrollment Program were unaware of the policies and procedures governing the program.

**Recommendation Sec. III – 4:** NETC should ensure proper training and onboarding regarding policies and procedures within the Dual Enrollment Program for newly hired employees and periodic training for current employees.

**Finding Sec. III – 5:** The SIG observed that NETC failed to maintain proper records for eligibility and admission requirements for the Dual Enrollment Program.

**Recommendation Sec. III – 5:** NETC should develop policies and procedures for compliant retainment of student records and forms for the Dual Enrollment Program.

**Finding Sec. III – 6:** The SIG determined that NETC implemented a Fast Track Advising Program process without formalized policies or procedures.

**Recommendation Sec. III – 6:** NETC should immediately cease their Fast Track Advising Program, autoenrollment process, and enrollment of students without their knowledge until it corrects the deficiencies in enrollment practices and formulates attainable policies and procedures to outline this process.

**Finding Sec. III – 7:** The SIG determined that NETC’s failed enrollment process resulted in unreconciled balances in student financial accounts.

**Recommendation Sec. III – 7:** NETC should conduct a thorough examination and reconciliation of each student’s financial account.

#### **Section IV – Fiscal Affairs**

**Finding Sec. IV – 1:** The SIG determined that NETC lacked supporting documentation for 38 payments in the amount of \$183,431.43. In addition, NETC did not follow its own internal policies on promotional activities and accounts payable in the amount of \$208,590.65.

**Recommendation Sec. IV – 1:** NETC should develop and implement proper record keeping policies.

**Finding Sec. IV – 2:** The SIG observed that NETC lacked sufficient travel documentation for expenses for three payments in the amount of \$20,980.49.

**Recommendation Sec. IV – 2:** NETC should implement compliant record keeping policies for travel expenses.

**Finding Sec. IV – 3:** NETC failed to provide the SIG with the PBI grant budget following multiple requests.

**Recommendation Sec. IV – 3:** NETC should develop policies and procedures to ensure the maintenance of grant documentation in accordance regulation §12-804.17.

**Finding Sec. IV – 4:** The SIG determined that NETC mismanaged, misused, and made unallowable payments at least 16 times that totaled at least \$48,116.88.

**Recommendation Sec. IV – 4:** NETC should establish a centralized grant system to properly manage expenditures and develop appropriate internal controls to prevent mismanagement and misuse of taxpayer funds.

**Finding Sec. IV – 5:** The SIG observed that two payments totaling \$91,850 were made directly to the NETC Foundation without approvals from the director of finance.

**Recommendation Sec. IV – 5:** NETC’s director of finance should review and approve all payments made to the Foundation and develop proper internal control measures to prevent unapproved payments.