

Investigation finds 'flagrant violations' and disregard of Beaufort Co. purchasing rules

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By Sebastian Lee

Beaufort County Council members have promised for years to make government more transparent and accountable, and hiring an outside firm to investigate financial irregularities should have supported that goal.

Seven months after awarding the contract, though, the county has little to show in the way of results and even some members of the council are frustrated at being kept in the dark.

At Monday night's Beaufort County Council meeting, a lawyer whose firm was hired to conduct the investigation told the public there was "laxity within Beaufort County government" that resulted in "flagrant violations" of the procurement code. "In 2023, several individuals with Beaufort County failed to properly follow, and in certain circumstances blatantly disregarded, the county's procurement code."

Boyd Nicholson Jr., managing director of the Greenville-based law firm Haynsworth Sinkler Boyd, gave his oral report in front of council. The firm was hired in August to deliver a report covering the county's purchases and contracts and whether or not they followed the county's procurement code. In addition, the firm investigated all county purchasing card activity, or P-card purchases, from fiscal year 2019 to fiscal year 2023.

Nicholson said the investigation concluded the issues began at the top, saying the county's leadership "at worst willfully flouted the county's procurement code, or at the very least, were woefully ignorant of it."

Nicholson described the county's P-card purchases since 2019 as "excessive, personal, frivolous, not business driven and often in violation of the county's P-card manual."

Unnamed employees used their purchasing cards on things like an Apple watch, office decorations, earbuds, cellphone cases, meals and "inappropriate books."

The investigation was launched as part of the county's efforts to clean up the mess left behind in the wake of the termination of then-County Administrator Eric Greenway.

Council members express frustration

As troubling as the stern language of the findings are to County Council members, more than one expressed frustration that the law firm didn't complete the assignment.

As of Thursday, no written report had been shared with the public or council members. The only indication of its contents comes from the roughly 10-minute oral presentation at Monday night's meeting.

The Island Packet and Beaufort Gazette have reviewed an email exchange from Wednesday night that was circulated to all members of council and Interim Administrator John Robinson that details more than one member of council's

frustration with the state of the report. A copy of the email exchange was provided by a source granted anonymity and with the understanding that the newspapers would not reveal the council members who started or added to the discussion.

The mystery about the existence or lack of a written report has left some on the council guessing what's going on.

Theories range from believing there is no written report, that the report exists and county staff is "working through it" with the county's legal department, or that the report exists and is being redacted by the county's legal department with "the intent of having the redacted report circulated to council."

"If there is in fact a written report that has been generated by HSB (Haynsworth Sinkler Boyd), then I believe it is imperative that we, as council, received the written report," wrote one council member. "I understand that it would need to be submitted via executive session given the fact that it will most likely contain specific employee information which should remain confidential but nonetheless, we should have access to it without redactions or modifications. HSB was hired by us, the Council, and as such they have a fiduciary responsibility to us as their client. We are entitled to review any reports generated by them without redactions or modifications."

In the email exchange, the council members cited two major concerns with the findings that were presented by Nicholson: "HSB only made specific references to the major issues that were already publicly known (e.g. the weighted blankets, playground equipment, and the contract awarded to the consulting firm)," the email exchange reads. "While I truly hope that those were the only major issues they actually found, I personally find it hard to believe.

"My second major concern is that it does not appear that HSB utilized independent IT to review our systems in order to verify that the information submitted to HSB was accurate," the email continues, "If our investigation did not address these concerns, then I do not have full faith in their findings. This is yet another reason a review of the report, if any, is of the utmost importance to me.

"Furthermore, I believe that we owe it to the people of this County to waive the attorney-client privilege and make any written report publicly available (with any necessary redactions of course). A large portion of our population has lost confidence in the government at every level and I believe that ultimately making any written report available to the public will help restore some level of trust with the people that put their faith in us to represent them," the email concludes.

On the heels of Wednesday night's email exchange discussing HSB's report, council chairman Joe Passiment on Thursday sent a follow up email addressed to all council members stating, "You received and (sic) email last night regarding the HSB investigation. DO NOT REPLY TO THIS EMAIL OR ANY OTHER EMAIL REGARDING THIS MATTER. Any reply, especially reply all will constitute an electronic meeting and be subject to FOIA."

Passiment confirmed he sent that email and had no further comment.

His reference to FOIA stands for the Freedom of Information Act, which provides the public and news media the right to request access to public records.

Sebastian Lee covers Beaufort County for The Island Packet and Beaufort Gazette. He graduated from the University of South Carolina in 2022. If he's not working he's most likely watching a good movie or spinning a record.