



# LAKELANDS WEATHER

Today




Rain  
High: 82  
Low: 61  
Chance of precipitation: 80%

Thursday




Rain  
High: 78  
Low: 60  
Chance of precipitation: 80%

Friday




Rain  
High: 80  
Low: 61  
Chance of precipitation: 60%

Saturday




Rain possible  
High: 83  
Low: 60  
Chance of precipitation: 40%

Sunday



Sunny  
High: 80  
Low: 58  
Chance of precipitation: 0%

Monday



Sunny  
High: 81  
Low: 58  
Chance of precipitation: 0%

Lake levels (in feet)

Clarks Hill: 330.18  
+/- full pool: 0.18  
  
Greenwood: 439.02  
+/- full pool: -0.98

Hartwell: 660.00  
+/- full pool: 0.00  
  
Keowee: 98.67  
+/- full pool: -1.33

Marion: 75.93  
+/- full pool: -0.87  
  
Murray: 358.21  
+/- full pool: -1.79

Russell: 474.78  
+/- full pool: -0.22  
  
Wateree: 97.50  
+/- full pool: n/a

## AUDIT

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town of Calhoun Falls as well as members mentioned in this article, no comment was provided.

### Credit card use and lack of oversight

Credit card spending totaled \$186,567 across the audit period. While spending was lower under former Mayor Chris Cowan (with 98% of charges supported by receipts), that trend reversed sharply under Holland. From FY2022 onward, only 56% of charges were supported.

Holland reportedly told auditors, “When you’re broke, you don’t go out to eat, you make a ham sandwich.” Yet under his administration, town credit card usage nearly doubled.

Meals were a significant portion of spending, with \$17,481 logged, 66% of which were in-town meals rather than for travel-related expenses. In FY2024, there were 278 meal charges, more than the number of workdays in the year.

Purchases were often vaguely categorized as “contingency” expenses, and the town kept no consistent record of what department each purchase served.

In addition to meals, auditors flagged numerous credit card purchases on platforms like Amazon, where itemized receipts were not submitted.

Often, town officials combined minor supply runs with larger meal expenses, buying a small part or piece of equipment, then spending \$30–\$50 on lunch during the

same outing.

CRI noted that many of these charges lacked supporting documentation, and most occurred locally, not as part of approved travel. Without itemization, auditors could not confirm what was purchased, by whom, or for what department.

Auditors found that credit card receipts were rarely submitted, especially by Holland and Police Chief Tim Richey. Town Clerk Wendi Lewis admitted that nine out of 10 receipts were never turned in. Transactions were generally logged under the vague category “contingency,” with no departmental attribution.

### Audit avoidance, financial blackouts

The forensic audit continues by stating the town failed to complete or submit required annual audits for FY21 through FY24, violating South Carolina law.

Only one audit, for FY2020, was completed under Holland, and it was never submitted to the State Treasurer. This failure resulted in over \$90,000 in withheld state funding and rendered the town ineligible for certain grants from the state.

Financial reporting to the town council also ceased shortly after Holland took office in January 2022. Under his leadership, council members no longer received monthly updates or access to budget reports.

Calhoun Falls council member LaSean Tutt says before the audit, she was requesting information that should have been given to council.

“To this day, I have not received anything from what I

requested. The sad part is that I can’t vote properly without all the data necessary for my informed decision,” she said.

Other council members were interviewed by CRI and expressed frustration with the lack of transparency.

“We didn’t know what we owed until something got cut off or someone complained,” one councilmember stated in the report.

Auditors noted that under Cowan, council received regular budget updates and financial statements.

Under Holland, however, reporting stopped almost entirely. Monthly reports were inconsistent or nonexistent, and some council members reported being denied information even when they requested it.

### Bonuses, raises, and off-books spending

The forensic audit showed from FY2020 to FY2024, the town issued \$83,365 in bonuses. During FY2023 and FY2024 alone, \$30,515 in bonuses was distributed off the books in cash, not reported through payroll and not subject to taxes or proper documentation. These bonuses were not approved by council and violated accounting principles and transparency standards.

Raises were issued across departments without budget amendments or formal approval. Holland allegedly told council that raises would be covered by the American Rescue Plan Act (ARPA) funds, but auditors found no written plan or justification.

Federal relief through ARPA briefly propped up

the town’s finances, but the nearly \$947,000 served more as a bandage than a fix. Once the funds were exhausted, long-standing deficits surfaced with renewed urgency.

During this time, the town also gave out overtime to employees not eligible under its own policies. Utility, police, and wastewater employees received overtime pay typically reserved for maintenance workers. The police department’s costs alone rose 74% from FY22 to FY23.

Auditors noted that the only reason overtime decreased was the hiring of more staff, not any operational reform.

### Court fine cash collections held back

According to the report, Clerk of Court Stephanie Copelan withheld over \$3,700 in court fine cash collections to create an informal petty cash fund. She told auditors that she used the money to buy stamps, toner and office supplies because it was difficult to get checks signed promptly.

While receipts were provided for some of these purchases, the entire process violated accounting standards. The diverted funds were never entered into the town’s financial records, and their use lacked full documentation.

### Volunteer firefighter pay and property sales

Volunteer firefighters were paid \$10 per call and \$2 per training session. However, the town had no formal attendance policy, and auditors found that people were paid for events they did not attend. In one instance,

19 responders were paid for a single downed tree.

In May 2024, the town sold a property at 501 Seneca St. for \$4,500. Auditors found no record of the sale in financial systems, no documentation in council minutes, and no indication of whether fair market value was assessed.

### General and utility fund transfers

To keep the utility fund afloat, the town transferred \$842,167 from the general fund between FY2020 and FY2024. These transfers were often made without approval forms or signatures, and sometimes based solely on account balances at the time.

Council members were not regularly informed of these fund transfers. Although the town had a Fund Transfer Approval Form, CRI found that most were unsigned or incomplete, and many transfers were not formally documented.

### Banking, court funds, and signature stamp use

Holland’s signature stamp was widely used on checks, sometimes without his direct review. After March 2023, most checks bore his stamp rather than his physical signature, meaning dual-signature requirements were functionally ignored.

### Water system failures, utility mismanagement

The utility fund, Calhoun Falls’ largest financial liability, was deeply in the red. Broken or nonfunctional water meters, especially among commercial accounts, resulted in

mass under billing. Instead of billing estimated averages per town ordinance, clerks often skipped billing entirely.

Meanwhile, the town experienced an annual water loss of 40–50%, a sign of leaks, theft or unmetered usage. Despite these issues, utility rates have not been raised since 2020, further compounding losses.

Auditors noted that “approximately 40–50% of the Town’s utility deficits are caused by broken meters and unbilled usage.”

### Vendors, procurement failures

Vendor invoices were routinely paid late, incurring fees. Some vendors severed relationships with the town. There was no centralized procurement process or competitive bidding for contracts, including the rehiring of the town’s accountant, without council approval.

### Forensic audit recommends reforms

The 58-page forensic audit, which can be accessed in its entirety with this article on [indexjournal.com](#), recommends 26 corrective actions, including adopting financial policies, modernizing billing and procurement systems, ensuring budget adoption, and implementing infrastructure audits. Without swift intervention, auditors warn, Calhoun Falls risks continued financial instability, possible legal action, and erosion of public trust.

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## OFFICE

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Index-Journal on Tuesday that the completed audit findings were forwarded to the South Carolina Office of the Inspector General.

“I spoke with the Interim State Auditor last week, it is my understanding that the State Inspector General’s office will be taking this up,” Gagnon said in an email.

These issues that may also fall under the jurisdiction of the South Carolina State Ethics Commission, according to state law.

Meghan Dayson, executive director of the State Ethics Commission, emphasized in an interview that she could not speak to the Calhoun Falls audit specifically. However, she explained the general process and scope of the Commission’s role.

“The Ethics Act is the code of law that governs the actions of individuals,” Dayson said.

Individuals are public officials, which means: people who are elected to office, candidates for office, public members, people serving on a part-time, non-compensated board, commission or councils or public employees.

“People who are employed by state or local government, those people are prohibited from engaging and self-deal-

### For more information

You can find more information about Title 8, Chapter 13 of the South Carolina Code of Laws at: <https://www.scstatehouse.gov/code/t08c013.php>

You can find more information on the State Ethics Commission here: <https://ethics.sc.gov/>

For information and to access the complaint form, visit the State Ethics Commission’s Complaints page.

ing or nepotism,” Dayson explained.

Upon further investigation into Title 8, Chapter 13 of the South Carolina Code of Laws, the following ethics provisions may be relevant to scenarios described in the Town of Calhoun Falls’ forensic audit:

- Section 8-13-700(A) prohibits public officials from using their position to obtain financial gain for themselves, family or businesses with which they are associated.
- Section 8-13-705 forbids officials from accepting anything of value in return for influence.
- Section 8-13-710 restricts the use of public office for personal financial benefit.
- Section 8-13-725 requires the disclosure of income from governmental sources.
- Section 8-13-760 addresses actions taken by public officials that involve financial interests.

### What is Proviso 117.200?

Proviso 117.200 is a provision included in South Carolina’s 2024-25 state budget that grants the Office of the State Inspector General (SIG) limited authority to oversee forensic audits of certain local governments.

Specifically, it authorizes the SIG to collaborate with the Office of the State Auditor to oversee forensic audits of the Town of Calhoun Falls. This authority is granted for the current fiscal year only and is not part of the SIG’s usual jurisdiction over local governments. This provision reflects the General Assembly’s intent to ensure accountability and transparency in local government financial practices. The State Auditor shall oversee the auditing process and provide interim and final reports to the Town of Calhoun Falls, the Abbeville County Delegation, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways & Means Committee upon completion.

According to the audit, town credit cards were used to pay for thousands of dollars worth of meals, many of which were charged during regular workdays in Calhoun Falls despite Town officials telling auditors meals were typically only allowed during out-of-town travel. The report also highlights a break-

down in internal controls, including the use of a signature stamp for check approvals, inconsistent bank reconciliations and cash retained by the court clerk outside the town’s official accounts.

The audit concluded that at least \$20,000 in town spending qualified as waste or abuse. Council members told investigators they often received little or no financial documentation and were unable to obtain updated reports during key budget cycles.

In addition, the total employee bonuses issued during the review period amounted to \$83,365. In fiscal years 2023 and 2024, bonus payments were issued directly to individuals rather than through the payroll provider. This caused the town to underreport wages and payroll taxes, which is noted as a medium-risk finding in the report.

The audit explicitly states: “By issuing payments outside of the payroll process, the Town underreported its wages and payroll taxes for fiscal years 2023 and 2024.”

The mayor and council are/were required by state law to adopt a balanced annual budget, but none was approved for fiscal years 2023 and 2024, a possible violation of constitutional requirements and town ordinances.

Still, Dayson says mismanagement alone does not

qualify as a violation of the Ethics Act.

“We do not go in and oversee or audit local governments in the way they keep their books,” Dayson said.

While the Ethics Commission does not initiate investigations based solely on audit reports, the findings could form the basis for a formal ethics complaint.

Under Title 8, Chapter 13 of the South Carolina Code of Laws, a complaint must be notarized and submitted by mail before the commission can determine whether to investigate.

“We have six Class 1 certified law enforcement officers,” Dayson explained. “Once the investigation is open, they investigate that case using routine law enforcement activities, subpoenaing documents, reviewing publicly available information and interviewing witnesses.”

At the time of printing, no complaint has been filed with the Ethics Commission.

Brian Lamkin, State Inspector General, confirmed his office will be investigating this audit.

Normally, the Office of the State Inspector General (IG) does not usually have the authority to investigate or review counties or local municipalities like Calhoun Falls.

However, in this specific case, the legislature granted limited authority through a provision (Proviso 117.200). This provision allows the State IG to work with the Office of the state auditor to oversee a forensic audit of the town.

“The legislature provided this limited authority for the current fiscal year (2024-25) to the state IG to coordinate with the Office of the State Auditor to oversee this external forensic audit through the proviso,” Lamkin said in an email.

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