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**Tuesday, March 10, 2015**

**Mr. Earle Powell, Director  
Ms. Marcia Lindsay, Deputy Director  
Legislative Audit Council  
1221 Elmwood Avenue, Suite 315  
Columbia, South Carolina 29201**

**Dear Mr. Powell and Ms. Lindsay:**

Thank you for meeting with Representative Phyllis Henderson and me last Thursday, March 5, 2015. Representative Henderson serves as chair of the House of Representatives' Legislative Oversight Subcommittee in the process of conducting a study of the Department of Transportation. We requested this meeting for the purpose of continuing the discussion, which began during the House Legislative Oversight Committee's February 5, 2015, full committee meeting, about ways the Legislative Audit Council may provide assistance with legislative oversight studies of agencies.

Representative Henderson's Subcommittee held its first legislative oversight meeting with the agency on Tuesday, February 17, 2015. Aware of the 2006 Legislative Audit Council audit of the Department of Transportation and the 2010 follow up audit, Representative Henderson's Subcommittee desired input from the Legislative Audit Council prior to making a request of its own. We appreciate you informing us that a request was made on Wednesday, March 4, 2015, the day before our meeting with you, by several Senators for a comprehensive audit of the Department of Transportation.

While the House Legislative Oversight Committee has adopted Standard Procedure 12.2 that provides for a Subcommittee's input in utilizing the services of the Legislative Audit Council, at the same time this Committee actively seeks ways to promote efficient use of State resources. At the specific request of Representative Henderson for her Subcommittee to lead by example in promoting efficiency, I concur, pursuant to the authority granted by S.C. Code Section 2-2-60(D) and House Legislative Oversight Committee Rule 7.6, with the request

Mr. Powell and Ms. Lindsay  
Legislative Audit Council  
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for a comprehensive audit of the Department of Transportation that includes: (1) an update on the status of the agency's implementation of the recommendations from the 2006 audit, which focused on contract, program and administrative management, and the 2010 follow up audit, and (2) a review and recommendations regarding resurfacing, reconstruction, and reclamation processes. As Representative Henderson's Subcommittee proceeds with its work, there may be additional specific inquiries relating to the Department of Transportation.

If you have any questions concerning this audit request, please do not hesitate to contact me. Thank you for the important work that you do for the citizens of South Carolina.

Sincerely,

Signature Redacted

Wm. Weston J. Newton

cc: The Honorable Jay Lucas, Speaker of the South Carolina House of Representatives  
The Honorable Tommy Pope, Speaker Pro Tempore of the South Carolina House of Representatives  
House of Representatives Standing Committee Chairs  
The Honorable Phyllis Henderson, Economic Development, Transportation, Natural Resources and  
Regulatory Subcommittee Chair  
House of Representatives Legislative Oversight Committee Members

SENATOR LEE BRIGHT  
SENATOR, SPARTANBURG  
AND GREENVILLE COUNTIES  
SENATORIAL DISTRICT 12

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March 4, 2015

Earle Powell  
Director of Legislative Audit Council  
1331 Elmwood Ave., Suite 315  
Columbia, SC 29201

Dear Mr. Powell,

I am requesting that you please review and sign the Senate's request for the Legislative Audit Council to conduct a comprehensive audit of the Department of Transportation pursuant to Section 57-1-490(C).

Please find enclosed an explanation for the request along with a detailed description of items to be covered in the audit.

Should you have any questions in reference to this request please contact me.  
Thank you for your service.

Sincerely,

Signature Redacted

Lee Bright  
Senator of Spartanburg  
Senate District 12

LB:rw

LEE BRIGHT  
SENATOR, SPARTANBURG  
AND GREENVILLE COUNTIES  
SENATORIAL DISTRICT 12

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We, the undersigned, do hereby request that the Legislative Audit Council conduct a comprehensive audit of the Department of Transportation pursuant to Section 57-1-490(C) and allow the Legislative Audit Council to contract for portions of the audit, if necessary. The audit would address the performance and compliance of the department's finance and administration division, mass transit division, and construction engineering and planning division.

In 2007, the General Assembly recognized that the Department of Transportation was badly in need of reform. Questionable management practices, contracting practices, and financial management problems plagued the department. In response, the General Assembly enacted Act 114 of 2007 which was intended to address these issues. My colleagues and I are gravely concerned that Act 114 fell short of its laudable goal. It appears that the financial mismanagement has continued unabated, that contracts are being awarded to favor certain vendors, that the intended prioritization system is not being followed correctly, that the internal audit function is not truly independent, and the list goes on.

We are requesting that the following matters be included within the broader scope of the audit performed by the LAC, or contracted for, pursuant to Section 57-1-490(C):

1. Funding. What is the actual level of funding that the department receives from all sources and how has that funding changed since FY 05-06. Please identify the individual sources of funding and the aggregate level. Please also identify the changes on a year-to-year basis.
2. Expenditures. Please perform a comprehensive audit of the expenditures of the department during the same time period as identified in (1) above. We are particularly interested in any irregularities among expenditures and any areas of wasteful expenditures that the department has failed to curtail.
3. Prioritization. Has the department followed the letter and the spirit of the law in regards to the prioritization of projects as mandated in Act 114?
4. Contracting. Please pay special attention to the contracting procedures implemented by the department and especially safeguards put in place to ensure that contracts are awarded fairly and

honestly without even the appearance of impropriety. Also, please identify the percentage of contracts, particularly engineering contracts, awarded to out-of-state entities as opposed to in-state entities, and the percentage of contracts awarded to individuals or entities employing individuals who formerly worked at the department.

5. Statutory Audits. Please review the regular annual audits performed pursuant to Section 57-1-490 since the passage of Act 114 of 2007. Please identify areas where the department has failed to correct problems identified in those audits and areas where the department has failed to make acceptable progress toward correcting those problems.

Thank you very much for your consideration of our request. We look forward to hearing from you in the near future.

16 Signatures Redacted

7 Signatures Redacted

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[illegible]

Figure 1 is a line graph titled "Number of cases of infectious diseases in the Republic of Serbia, 1990-2000". The vertical axis (Y-axis) is labeled "Number of cases" and ranges from 0 to 100,000 in increments of 20,000. The horizontal axis (X-axis) is labeled "Year" and ranges from 1990 to 2000. The data points are connected by a solid line. The graph shows a very high number of cases in 1990 (approximately 95,000), which drops sharply to around 20,000 in 1991. From 1991 to 1993, the number of cases remains relatively low, fluctuating between 10,000 and 20,000. In 1994, there is a slight increase to about 25,000 cases. From 1995 to 2000, the number of cases remains relatively stable, generally between 15,000 and 20,000, with a small peak in 1998 (around 25,000) and a slight decline in 2000 (around 15,000).

Year	Number of cases
1990	95,000
1991	20,000
1992	15,000
1993	10,000
1994	25,000
1995	15,000
1996	18,000
1997	15,000
1998	25,000
1999	18,000
2000	15,000

Figure 1 is a schematic representation of the experimental design. It shows a timeline of the experiment. The timeline starts with a 10-minute period, followed by a 5-minute rest period. This is followed by another 10-minute period, followed by a 5-minute rest period. Finally, there is a 10-minute period, followed by a 5-minute rest period. The tasks are labeled as 'Task 1', 'Task 2', and 'Task 3'.

[illegible]

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Age Group	Total (%)	Male (%)	Female (%)	Male (%)	Female (%)
18-24	15	10	20	15	25
25-34	25	20	30	25	35
35-44	35	30	40	35	45
45-54	45	40	50	45	55
55-64	55	50	60	55	65
65+	65	60	70	65	75

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