

Katrina Fay  
PO Box 1218  
Laurens, SC 29360  
September 10, 2012

Ms. Amy Duffy, chief of Staff  
aduffy@scprt.com  
Mr. Duane Parrish, Director  
dparrish@scprt.com  
**SC Department of Parks,  
Recreation & Tourism**  
1205 Pendleton St  
Columbia, SC 29201

Dear Addressees:

Pursuant to my phone call last week, in the belief you are committed to improving financial oversight of taxpayer expenditures, I am notifying you of recipient misuse of PARD funding. I discerned this misuse in responses to my Freedom of Information Act requests. Laurens County, as sponsor recipient, used PARD funding to improve land owned by Hickory Tavern Youth Recreation Association (HTYRA), with construction of a new recreational facility, including establishment of utility service, fencing, and other improvements necessary for a new facility. The County has never managed the facility, and it has never provided recreation at the Park. PARD funding was provided to HTYRA, without any public approval, notice, deliberation, or any other legislative authority, by public vote of a quorum of the governing body, the County Council. HTYRA is a registered charity, but didn't disclose any records in response to my FOIA request. Company officers operate the recreation facility, privately, at public cost, for privately managed and privately disposed revenue from fees the public pays HTYRA to use the park. The company is under investigation by the SC Secretary of State. Please find documentation, FOIA requests, responses, property documents, and correspondence at [http://laurenscountycitizenwatch.com/investigations/county\\_funds\\_hytyra\\_private\\_purpose](http://laurenscountycitizenwatch.com/investigations/county_funds_hytyra_private_purpose).

This instance must be considered a symptom of a Department process deficiency. The Department is not detecting recipient use of PARD grant funding for private purpose. Without detection, allowing my conclusion about this specific instance could be inaccurate, I am concerned about the potentially large number of undetected instances of recipient misuse across the state. According to the response to the Department Accountability Report question 1.4 on page 11, fiscal accountability is limited to oversight of Department operations, and application of grant offers. There is no review of grant use. As a result, the Department is allocating commingled federal and state PARD funding to recipient misuse, as in this instance – not just once, twice, but four separate grants for the same undetected, unreviewed, improper purpose.

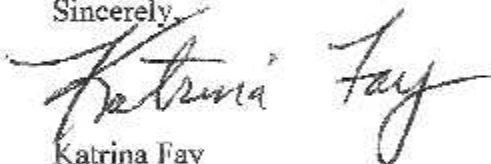
I understand there is a presumption recipients won't misuse funds. It is also true the Department can't control the conduct of funding recipients. Nonetheless, any process that relies completely on human decision must meet basic process design fundamentals of redundancy and closed loop, if desired output is to be delivered in a reasonably reliable fashion. Upon detection, the misuse can be addressed and funding for the misbehaving recipient can cease.

It is beyond scope for me to provide complete analysis and recommended fix in this letter. I would be delighted to provide further detail. Adding a detection sub process to the existing PARD administration process is straightforward. For instance, additional questions can be added to the application. After the Department disburses the funds, the recipient can be required to submit specific documentation at designated intervals. While nothing can effectively eliminate human intent to circumvent proper process, the Department can significantly increase financial oversight of the commingled federal and state funding.

I'm sure it's within Department purview and capabilities, and pretty sure, mandated fiduciary duty, to implement a closed loop process that can detect recipient misuse. I am planning to request the Attorney General's Public Integrity Unit investigate what appears to be routine misuse of public funding by certain members of this County's Council. I hope to hear about the Department's consideration of process improvements before then.

Thank you for your consideration of this matter.

Sincerely,



Katrina Fay

President, Laurens County Citizens' Watch

Investigations of public corruption by individual sovereign citizens

864-684-7682

cc: Mr. Patrick Maley, SC Office of Inspector General