



State of South Carolina  
Office of the Inspector General

**CONFIDENTIAL – PERSONNEL MATTER**

SENT ELECTRONICALLY

June 4, 2021

OIG File No.: 2021-5146-PI

Timothy Keown, President  
SC Governor's School for Agriculture  
at John de la Howe  
192 Gettys Road  
McCormick, SC 29835

Re: Investigation of an Alleged Related-Party Procurement with a Vendor at the SC Governor's School for Agriculture at John de la Howe (JDLH)

Dear President Keown:

The South Carolina Office of the State Inspector General (SIG) conducted an investigation of an anonymous allegation of a related-party transaction involving Elizabeth Templeton (JDLH agriculture instructor) and [REDACTED] manager of the Crouch Hardware and Farm Supply (Crouch Supply) store in Saluda, South Carolina. Specifically, the allegation pertained to three separate transactions made by JDLH with Crouch Supply that appeared structured to avoid certain purchasing limits found in the Consolidated Procurement Code (CPC). [REDACTED] is Elizabeth Templeton's spouse.

Enclosed for your review are the following items:

1. Crouch Hardware & Farm Supply orders dated 8/20/20, 8/27/20 and 10/1/20; and
2. Email quote from Crouch Hardware to Elizabeth Templeton, dated 7/20/20.

The scope of this review focused on the review of procurement records and interviews of JDLH leadership, instructional and procurement staff, as well as [REDACTED] owner of Crouch Supply, to obtain facts to substantiate or refute the allegations.

The contents of this letter are considered a **CONFIDENTIAL PERSONNEL MATTER**. Distribution of the contents of this letter should adhere to state and JDLH human resource policies.

## Executive Summary

On 4/28/21, the SIG received an anonymous complaint that alleged Elizabeth Templeton, and other JDLH staff structured three procurements in order to make direct purchases from Crouch Supply by keeping the purchases under the CPC's \$10,000 threshold, thereby avoiding the requirement of obtaining three written quotes. The combined total for the three purchases was \$24,712.56.

The SIG interviewed Templeton, [REDACTED] and [REDACTED], the JDLH president, the JDLH school principal, and the JDLH chief procurement officer to ascertain the following:

- Each person's understanding of the CPC requirements for purchases above and below the \$10,000 threshold; and
- Instructions and training given to each person by JDLH management and JDLH Procurement Services regarding the CPC and purchasing requirements.

Based on the SIG's review of JDLH's purchase records and the interviews, the SIG determined that beginning in July 2020, JDLH leadership instructed its teaching staff to make the necessary purchases of materials and equipment in order to begin the school year in August 2020. The school was without the necessary equipment to provide adequate instruction for the new "Governor's" school since the campus had been closed to student instruction for two years.

Each interviewee acknowledged their understanding of the CPC requirements for purchases above/below the \$10,000 threshold. Individually, the JDLH staff stated they received instruction from the JDLH chief procurement officer to keep purchases below \$10,000 in order to expedite the purchases. Each interviewee stated they did not break apart a single purchase request into three individual purchases to circumvent the CPC requirement of obtaining three written quotes for purchases above \$10,000. The JDLH chief procurement officer stated he provided general information and training to JDLH school staff on the procurement process that included the various procurement thresholds found in the CPC. The SIG identified the three purchases in question as follows:

<u>Invoice Date / Number</u>	<u>JDLH Requestor</u>	<u>Quantity / Item #</u>	<u>Unit Cost</u>	<u>Total Cost Incl. 8% Tax</u>
8/20/20	278635	E. Templeton	<b>1 / UP70</b> <b>22 / PP12GY</b> <b>10 / PWT12GY</b>	\$2,360 \$180 \$280 \$9,849.60
8/27/20	278810	[REDACTED]	5 / KF641 5 / KF651GY 6 / KP65GY 6 / KP610GY 24 / SPWC90	\$230 \$235 \$136 \$205 \$9 \$4,953.96
10/1/20	129668	[REDACTED]	<b>13 / SHB05</b> <b>14 / SHP08</b> <b>12 / SHP05</b>	\$275 \$250 \$175 \$9,909.00

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The SIG identified the original email quote from Crouch Supply to Templeton that resulted in the three purchases. On 7/20/20, Templeton received an email from [REDACTED]'s official email address at Crouch Supply that provided quotes for the following items:

<u>Quantity</u>	<u>Item# / Description</u>	<u>Unit Cost</u>	<u>Total Cost</u>
5	KK610101 (Priefert Kennel Kit)	\$820	\$4,100
<b>1</b>	<b>UP70 (Priefert 70ft. Utility Rnd Pen)</b>	\$2,360	\$2,360
<b>30</b>	<b>SHB05 (Priefert Bow Gate Vert. Bar 5ft)</b>	\$245	\$7,350
40	SHP10 (Priefert Panel Vert. Bar 10ft)	\$278	\$11,120
<b>30</b>	<b>SHP05 (Priefert Panel Vert. Bar 5ft)</b>	\$155	\$4,650
<b>22</b>	<b>PP12GY (Priefert Premier Panel 12ft)</b>	\$180	\$3,960
<b>10</b>	<b>PWT12GY (Priefert Premier Walk-thru Gate)</b>	\$280	\$2,800
1	RCCALF (Priefert Calf Roping Chute)	\$1,070	\$1,070
1	RBOX2RS (Priefert Right Roping Box)	\$875	\$875
1	RBOX2LS (Priefert Left Roping Box)	\$875	\$875
		<b>SUBTOTAL</b>	\$39,160
		<b>SALES TAX 8%</b>	<u>\$3,132.80</u>
		<b>GRAND TOTAL</b>	\$42,292.80

A comparison of the 7/20/20 email quotes and the three individual invoices determined that JDLH did not purchase all of the items quoted. Templeton and [REDACTED] purchased the hi-lighted items listed above over a two-month period.

The SIG determined the three items purchased by Templeton were of the same quantity and description set forth in the email quote. The three items purchased by [REDACTED] included two items included in the July quote, but in lesser quantities. The [REDACTED] purchases were not listed in the July email quote. None of the three purchases exceeded the \$10,000 threshold that required three written quotes.

[REDACTED] owner of Crouch Supply, advised the SIG that he set the quoted prices and directed [REDACTED] to send the quotes to JDLH because he ([REDACTED] was out of town at the time a request was made to price the items for the school. Additionally, [REDACTED] stated [REDACTED] was an hourly employee and did not receive any commission from the sale of the items to JDLH.

### **Analysis and Discussion**

The SIG approached its analysis from a variety of viewpoints and consideration of specific preexisting conditions in reaching its final assessment of the procurements.

All three JDLH instructors began their employment in July 2020. Between 2018 and 2020, JDLH did not provide educational instruction while the facility was under renovation and a new curriculum was under development. Consequently, JDLH did not have the proper equipment in July 2020 to open its doors for the 2020-21 school year as the newest Governor's school in the state. Taken at face value without the benefit of additional information gathered through staff interviews and documentation it is easy to conclude the JDLH staff split the purchases into smaller

amounts in order to avoid slowing down the procurement process with three written quotes or the advertisement of the procurement through SCBO.

A single procurement of all the items listed in the 7/20/20 quote would have required the advertisement of the procurement in SCBO for at least five days and the receipt of confidential bids from vendors prior to the ordering of the items since the total (\$42,292.80) exceeded the \$25,000 threshold of three written quotes. This would have placed the ordering of the items with the successful vendor in mid-August 2020.

By comparison, the three individual procurements did not accelerate the acquisition of the items by the start of the school year. The items purchased in the three separate procurements totaled \$24,712.56. These purchases occurred over a two-month period and were less than \$10,000 individually. A single procurement of these items would have required only three written quotes.

The SIG interviews and review of other JDLH procurement documents revealed instances of JDLH staff not complying with the procurement process, but rather attempting to control the entire process. The SIG identified instances where written quotes were sent to the person making the purchase request as opposed to directing the quotes to a separate email address maintained by the JDLH procurement staff. Other observations included the staff member receiving the invoice instead of the invoice going directly to the JDLH procurement staff for payment. These examples undercut the integrity of the procurement process and slow down the procurement process, particularly when it comes to paying the invoices.

### **Findings and Observations**

Based on the results of the interviews and the review of available procurement documents the SIG assessed the allegation as **UNSUBSTANTIATED** that Elizabeth Templeton, [REDACTED] and [REDACTED] structured the procurements to avoid specific monetary thresholds in the CPC.

Additionally, the SIG assessed the allegation as **UNSUBSTANTIATED** that Elizabeth Templeton had a conflict of interest and received a financial benefit through a related-party transaction with Crouch Supply for the procurement of these items due to her spouse's employment there.

JDLH leadership should ensure that all staff adhere to the established procurement process and work directly through the JDLH procurement services office to ensure timely acquisition of inventory and payment of invoices.

Do not hesitate to call me if you have any questions or concerns regarding this matter. I may be reached at [REDACTED] (direct) or [REDACTED] (cell).

Sincerely,



Brian D. Lamkin  
State Inspector General

Enc. (4)

**CONFIDENTIAL – PERSONNEL MATTER**



# Crouch Hardware & Farm Supply

509 N Main Street

Saluda SC 29138

Tel (864) 445-0062

## QUOTE

### Bill To:

John De La Howe  
192 Gettys Road  
McCormick SC 29835  
Phone: (864) 391-0418  
ID: 10394

### Ship To:

ELIZABETH TEMPLETON

Invoice Date	Invoice #	PO Number	Terms	Trans #	Employee	Page #
08/20/20 08:14:01	278635			POS2-330341		1
Item	Quantity	Unit	Description	Price	Extended	
UP70	1.00		PRIEFERT 70' UTILITY ROUND PEN	2360.00	2,360.00	T
PP12GY	22.00		PRIEFERT PRIEFERT PREMIER PANEL 12FT	180.00	3,960.00	T
PaT12GY	10.00		PP12 PRIEFERT PREMIER WALK THRU 12FT GY	280.00	2,800.00	T

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SAVE TIME Check our Prices (864)445-0062

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2% OVER 30 DAYS - Thank You!  
\*\*\* Quote Prices valid until: 09/19/20

Signature: \_\_\_\_\_

<b>SubTotal</b>	9,120.00
TAX	729.60
<b>Total</b>	9,849.60





**Crouch Hardware & Farm Supply**

508 N Main Street

Saluda, SC 29138

Tel (864) 445-0062

**QUOTE**

Bill To:

John De La Howe  
 192 Gettys Road  
 McCormick SC 29835  
 Phone: (864) 391-0418  
 ID: 10294

Ship To:

[Redacted]

Invoice Date	Invoice #	PO Number	Terms	Trans #	Employee	Page #
08/27/20 15:25:56	278810			POS2-331008	[Redacted]	1
Item	Quantity	Unit	Description	Price	Extended	
KF641	5.00		PRIEFERT KENNEL FRONT 6'X4' W/GATE PRIEFERT	230.00	1,150.00	T
KF651 GY	5.00		PRIEFERT KENNEL FRONT 6X5 W/GATE	235.00	1,175.00	T
KP65 GY	6.00		PRIEFERT KENNEL PANEL 6'X 5'	136.00	816.00	T
KP610 GY	6.00		PRIEFERT KENNEL PANEL 6' X 10'	205.00	1,230.00	T
SPWC90	24.00		PRIEFERT KENNEL WALL MOUNT BRACKET	9.00	216.00	T

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<b>SubTotal</b>	4,587.00
TAX	366.96
<b>Total</b>	4,953.96

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 \*\*\* Quote Prices Valid Until: 09/26/20

Signature: \_\_\_\_\_





**Crouch Hardware & Farm Supply**  
 508 N Main Street  
 Saluda, SC 29138  
 Tel (864) 445-0062

# QUOTE

**Bill To:**

John De La Howe  
 192 Gettys Road  
 McCormick SC 29835  
 Phone: (864) 391-0418  
 ID: 10394

**Ship To:**

[Redacted]

Invoice Date	Invoice #	PO Number	Terms	Trans #	Employee	Page #
10/01/20 14:31:16	129668			POS1-159332	[Redacted]	1
Item	Quantity	Unit	Description	Price	Extended	
SHB05	13.00		PRIEFERT BOW GATE VERTICAL BAR 5FT	275.00	3,575.00	T
SHP08	14.00		PRIEFERT PANEL VERTICAL BAR 8FT	250.00	3,500.00	T
SHP05	12.00		PRIEFERT PANEL VERTICAL BAR 5FT	175.00	2,100.00	T

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 SAVE TIME Check our Price\$ (864)445-0062

<b>SubTotal</b>	9,175.00
TAX	734.00
<b>Total</b>	9,909.00

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Signature: \_\_\_\_\_



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18

RE: Priefert Quote

Inbox



To: Elizabeth.Templeton@priefert.com  
Cc: [Redacted]



Mon, Jul 20, 2020 at 5:09 PM



(864) 378-7685

Good Afternoon, the following is the Priefert Quote you requested.

Quantity 5, Item # KK610101 Priefert Kennel Kit. \$820 each, total \$4100.

Quantity 1, Item # UP70 Priefert 70ft Utility Round Pen, total \$2360.

Quantity 30, Item #SHB05 Priefert Bow Gate Vertical Bar 5ft. \$245 each, total \$7350.

Quantity 40, Item #SHP10 Priefert Panel Vertical Bar 10ft. \$278 each, total \$11,120.

Quantity 30, Item #SHP05 Priefert Panel Vertical Bar 5ft. \$155 each, total \$4650.

Quantity 22, Item #PP12GY Priefert Premier Panel 12ft. \$180 each, total \$3960.

Quantity 10, Item #PWT12GY Priefert Premier Walkthrough Panel 12ft with 4ft Walkthrough Gate. \$280 each, total \$2800.

Quantity 1, Item #RCCALF Priefert Calf Roping Chute total \$1070.

Quantity 1, Item #RBOX2RS Priefert Right Roping Box. Total \$875.

Quantity 1 Item #RBOX2LS Priefert Left Roping Box. Total \$875.

Total before taxes \$39160 . Sales Tax \$3132.80 Grand Total \$42292.80

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999+

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Starred

Drafts

Sent

Archive

Spam

Trash

Less

Views

Show

Folders

Hide

New Folder

[Redacted]  
John De La H...

[Redacted]