

From: Newsome, Jim
Sent: Wednesday, July 26, 2017 2:58 PM To: Employees Only
Subject: Memo To All Employees

Dear Colleagues,

As I'm sure you are aware, Catherine Templeton, a former Senior Vice President at the Ports Authority, has made several public statements during her political campaign about her brief time of employment with the Port that deserve rebuttal due to their inaccuracy. The Port is an organization that stands for integrity, and I want you to know the facts about what has transpired.

Catherine Templeton worked for the Port from September 16, 2015 through October 29, 2015, a period of under two months. The Port has a policy of not publicly commenting on personnel issues. This is fair to both the employee and the organization. Catherine and I agreed, at least according to my understanding, that neither of us would discuss the separation of employment. However, as Ms. Templeton has now made a public campaign issue out of her separation, I reluctantly find it necessary to set the record straight. Ms. Templeton seeks to paint herself as a victim, but this could not be further from the truth and seems to be merely an election campaign ploy fraught with inaccuracies.

It is not the sign of a harmonious employment relationship when a senior executive leaves within two months of their employment. It became clear to me that she was not a good fit for the role for which she was hired and I initiated a discussion with her shortly prior to her departure to this effect. That is a matter within my discretion as the CEO of the Port and I felt it was detrimental to the Port and its mission to continue with Ms. Templeton's employment. At the time, we decided to part company and agreed on the release that was issued to be a joint statement. Neither of us wanted to see prolonged public discussion of the employment separation. Ms. Templeton is a talented individual, but her talents were not suited for her position at the Port because it was a support role for the organization with no operational or "line" authority.

Turning to some of the specific claims, at no point did the Port ever encourage her or demand her not to respond to any request for information on expenditures of any type. The Port has always and will always comply with such requests, which is our duty as a public entity, and at no point was there ever any interference with complying with the law by any board member or Port staff. Additionally, the contention that Bill Stern, one of our board members, forced me to fire her due to his relationship with Richard Quinn and Associates is categorically false. This was a decision that I reached individually and, only after reaching this decision, did I inform the board in executive session of my intentions. The board accepted the explanation of my decision and moved on to other business.

On February 28, 2016, Ms. Templeton tweeted a reply to an article in the Post and Courier about Port expenditures for professional services, stating "8.1 million reasons for leaving the port", which refers to the money spent for professional services by the Port in a five-year period of time. As the CEO of the Port during that time, I have consistently maintained, and continue to maintain, that every dollar expended was for professional services that we needed and from which we derived great value. These expenditures should be seen in the context of the fact that the Port has an overall expense stream in excess of \$180 million annually and these expenditures represent less than 1 percent of our overall annual cash expenses—very much in line with expenses by similar organizations conducting business.

It is strange that Ms. Templeton would find it repugnant to work for the Port when, at the very time of this tweet, she was acting as a consultant for an organization that was seeking advocacy work for the business community in South Carolina, of which the Port was being courted as a participant.

I also was quite surprised by this tweet as never in her brief period of employment did Ms. Templeton discuss the totality of our professional services expenditures. She did express concern about our legal expenses, many of which were related to active lawsuits. Based on our discussions, my take at that time was that she had contacts in the legal field whom she would rather employ. I was not interested in changing legal representation as I felt and feel that the Port has been well-represented and had many ongoing issues where it would have made no sense to switch firms mid-course.

Much has been reported about our relationship with Richard Quinn and Associates (RQA/First Impressions). This relationship existed without a written contract since 2009. When concerns were raised about this, a written contract was promptly put in place. Regardless, the Ports Authority sought public relations and strategy advice from RQA/First Impressions. For that advice, RQA/First Impressions was compensated through a retainer and compensation agreed upon for specific work product received. Most of the compensation was for the latter, and the efforts conducted have met the objectives desired by the Port. Our policy is to buy "best-in-class" professional services and this is what we have done.

Our board subsequently decided to suspend the relationship with RQA/First Impressions in view of the ongoing investigation, after a heated debate. This was an "abundance of caution" action and there was never any accusation that the Port staff had done anything wrong in its business dealings.

On October 13, 2016, Ms. Templeton contacted me by text, asking if I was available to meet for coffee. She said: "I hate that things did not work out and perhaps things should have been handled differently, but I'm settled on running for Gov and want to help the Port and you. I can do that. I hope you'll let me." It is unclear why Ms. Templeton would try to "help" the Port if anything she is currently claiming in her political campaign is true.

At the end of the day, the legitimate decision by a CEO of an organization that a senior executive was not a good fit for the organization after a brief period of time is now being parlayed into a political campaign stratagem where facts and truth have been the victim, rather than Ms. Templeton, for the purpose of boosting a gubernatorial campaign. Employment details on which confidentiality was agreed upon should not become a political campaign item.

The Port is a great economic engine for this State and acts with integrity and responsibility daily to discharge its duties and earn the trust of the citizens of South Carolina. And it will continue to do so, despite occasional baseless political attacks. You should be extremely proud of your contribution to our continued success.

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