

# Office of the Inspector General

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*Brian D. Lamkin*



## **Financial Review and Conflict of Interest Investigation of Jasper County School District**

July 2025

## **I. Introduction**

The South Carolina Office of the State Inspector General (SIG) was established by the South Carolina General Assembly in 2012 (Act No. 105) for the purpose of investigating and addressing allegations of fraud, waste, abuse, mismanagement, and misconduct in agencies, specifically the executive branch of state government. The SIG's authorities are found in South Carolina Code of Laws, [§1-6-10 et seq.](#)

In 2022, the South Carolina General Assembly passed S. 202 (Act No. 223) which expanded the SIG's authority, with limitations (§1-6-35), to investigate public schools and school districts, public charter schools and authorizers, and voluntary associations that establish and enforce bylaws or rules for interscholastic sports competition for public secondary schools.

By letter dated 8/2/24, the State Superintendent of Education requested that the SIG conduct a thorough investigation of the Jasper County School District (JCSD) to determine the existence of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing.

The purpose of this report is to provide a road map for the JCSD leadership and its Board of Education (JCSB) to improve in its delivery of quality education to its students in a unified effort, and to assist the JCSD in returning its focus to its real mission and mantra, "Student-Centered...Future Focused." This investigation focused on why the JCSD failed to provide timely annual audits as required by South Carolina law during the tenure and leadership of its superintendent Dr. Rechel M. Anderson [2018-2025]. In addition, this investigation focused on the overall leadership of the JCSD by Dr. Anderson. The SIG's report is not intended to address every individual complaint or issue conveyed to the SIG.

The SIG identified financial mismanagement by JCSD leadership, poor oversight by the JCSB of the superintendent's non-district employment and business ventures, conflicts of interest between the JCSD superintendent and the district's accrediting body – Cognia, and possible ethics and fraudulent activity during this investigation. As a result, the SIG made the appropriate criminal and ethics referrals pursuant to SC Code of Laws, §1-6-40(B).

The SIG extends its appreciation to State Superintendent of Education, Ellen E. Weaver, South Carolina Department of Education staff, JCSB and JCSD staff for their cooperation and intentionality of seeking solutions to the issues identified by the SIG. The SIG also extends its appreciation to current and former teachers and administrators, and to the parents and constituents in the JCSD for the candor, courage, and valuable input provided to the SIG during this investigation. In addition, the SIG is appreciative of the collaboration with the South Carolina Department of Social Services, and persons who initiated confidential contact with the SIG.

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## **II. Background**

### **A. Predicate**

By letter dated 8/2/24, the State Superintendent of Education requested that the SIG conduct an investigation of the Jasper County School District (JCSD) to determine the existence of fraud, waste, abuse, mismanagement, misconduct, violations of state or federal law, and wrongdoing.<sup>1</sup> The SIG determined the articulated basis merited an investigation and notified the State Superintendent of Education and the chair of the Jasper County Board of Education of the initiation of an investigation by letters dated 8/5/24.

### **B. Scope and Objectives**

The initial scope of the investigation focused on the JCSD's failure to provide timely annual audits as required by South Carolina law during the tenure of the JCSD's superintendent Dr. Rechel M. Anderson [2018-2025], which ultimately led to the JCSD being placed on Fiscal Emergency on 8/2/2024.

### **C. Methodology**

The SIG reviewed relevant documentation comprised of reports, financial records, contracts, and other documentation provided by the JCSD, the South Carolina Department of Education (SCDE), the South Carolina Department of Social Services (SCDSS), various law firms, financial institutions, JCSD vendors, and other executive branch agencies. In addition, the SIG reviewed applicable state and federal laws, regulations, and policies.

Prior to the start of the SIG's investigation, the JCSD was placed on Fiscal Watch by the SCDE on 3/24/23 for JCSD's failure to submit its fiscal year (FY) 2021-22 audit to the SCDE by 12/01/22, as required by [SC Code of Laws §59-17-100](#). JCSD's FY 2021-22 audit was not issued by its external auditor until 4/18/23. The FY 2021-22 audit contained a finding pertaining to the financial closeout and processing transactions, including not properly and timely closing out financial records by year end, which resulted in a significant amount of adjusting journal entries. In addition, the FY 2021-22 audit noted bank reconciliations were not accurately and timely prepared throughout the FY, and the quarterly South Carolina Retirement System quarterly payroll data reports for the FY were not properly prepared. During the SIG's investigation the JCSD was under audit for FY 2022-23, which is more than one year delinquent per [SC Code of Laws §59-17-100](#). Consequently, the JCSD was delinquent for the FY 2023-24 audit.

The SIG met with current and former JCSD staff and board members, members of the public, subject matter experts including: SCDSS, SCDE, and persons who initiated confidential contact with the SIG.

Reviews and investigations by the SIG are conducted in accordance with professional standards set forth by the Association of Inspectors General's *Principles and Standards for Offices of Inspector General*, often referred to as the "*Green Book*." This investigation used the preponderance of evidence standard.

### **D. Jasper County School District**

The Jasper County School District (JCSD) is a rural school district located in the Lowcountry region of South Carolina. The JCSD received funding through state appropriations, federal government programs, and its local tax base. During the 2024-25 school year, the 135-Day active enrollment for the JCSD was 2,896 students, 63% of whom were pupils in poverty.<sup>2</sup>

Dr. Rechel M. Anderson began her tenure as the JCSD superintendent on 7/1/2018.

Pursuant to the [SC Code of Laws, §59-20-90 \(C\)\(1\)\(a\)\(ii\)](#), the State Superintendent of Education placed the JCSD on Fiscal Watch on 3/24/2023 for failing to submit the FY 2021-22 audit more than sixty days after the

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<sup>1</sup> Pursuant to South Carolina (SC) Code of Laws, §1-6-35.

<sup>2</sup> Per SCDE District 135-Day Headcount by Gender, Ethnicity and Pupils in Poverty – 2024-2025.

December 1<sup>st</sup> deadline. By letter dated 3/29/2023, the JCSD notified the SCDE of its intended recovery plan. On 7/12/2023, the SCDE rejected the JCSD's recovery plan for failure to provide the SCDE its FY 2021-22 audit that was due 12/1/2022.

By letter dated 2/29/2024, the State Superintendent of Education notified the JCSD of its decision to elevate the district from Fiscal Watch to Fiscal Caution, for failure to provide the SCDE with its FY 2022-23 audit report within sixty days after the December 1<sup>st</sup> deadline for the second year in a row. On 3/19/2024, the JCSD submitted its recovery plan to the SCDE. On 8/2/2024, the SCDE responded to the JCSD's recovery plan, stating,

*“SCDE is unable to determine whether the financial recovery plan is acceptable due to the persistent failure of the District to submit its annual audit. As a result, a declaration of Fiscal Emergency is required under Section 59-25-90(E)(l) [sic].”*

#### **E. Jasper County School Board of Education**

The JCSD was governed by a board comprised of nine members elected to staggered four-year terms. At the beginning of the 2024-25 school year, the Jasper County School Board of Education ([JCSB](#)) was constituted as follows:

| <b>Jasper County School Board of Education</b> | <b>District</b> | <b>Year Term Ends/Ended</b> |
|------------------------------------------------|-----------------|-----------------------------|
| Priscilla Green (Chair)                        | 9               | 2024                        |
| Carolyn Bolden                                 | 4               | 2026                        |
| Tom Balliet                                    | 6               | 2026                        |
| Shalonda Toomer (Secretary)                    | 1               | 2024                        |
| Berty Riley                                    | 3               | 2024                        |
| Daisy Mitchell                                 | 5               | 2024                        |
| Priscilla Fraser (Vice-Chair)                  | 7               | 2024                        |
| Tedd Moyd                                      | 8               | 2026                        |
| Joyce Gerald                                   | 2               | 2026                        |

Following the November 2024 statewide general election, the JCSB was constituted as follows:

| <b>Jasper County School Board of Education</b> | <b>District</b> | <b>Current Term</b> |
|------------------------------------------------|-----------------|---------------------|
| Joyce Gerald (Chair)                           | 2               | 2022-2026           |
| Carolyn Bolden (Vice-Chair)                    | 4               | 2022-2026           |
| Tom Balliet (Secretary)                        | 6               | 2022-2026           |
| Randy Horton                                   | 1               | 2024-2028           |
| Berty Riley                                    | 3               | 2024-2028           |
| Daisy Mitchell                                 | 5               | 2024-2028           |
| Priscilla Fraser                               | 7               | 2024-2028           |
| Tedd Moyd                                      | 8               | 2022-2026           |
| Angela Bonaparte                               | 9               | 2024-2028           |

The JCSB operated in accordance with the [SC Code of Laws, Title 59 - Chapter 19 - School Trustees](#) as referenced in the JCSD's Board policy [BBA Board Powers and Duties](#). The JCSB had fiscal autonomy to approve and administer the JCSD budget.

### **III. Fiscal Mismanagement and Recordkeeping**

#### **A. JCSD Financial Management System**

The SIG observed the JCSD's financial records were in disarray, lacking a fully functional financial department with experienced staff.

The SIG was advised by one of the external auditors conducting the delinquent FY 2022-23 audit that bank reconciliations were not performed by the district on a routine basis. The SIG determined that the district, under the leadership of Dr. Anderson, transitioned from the district's existing financial management system (FMS) to a new replacement FMS in January 2021 – the middle of the district's fiscal year. This is atypical in that replacing an FMS should occur after the close of the fiscal year when account balances have been through a thorough year-end review, correction, and validation process to determine accurate ending balances to import into the new FMS. Such a thorough process is not performed other than at year-end.

After the implementation of the new FMS the district's chief financial officer (CFO) ended her tenure with the district. When a replacement CFO was needed for the district in September 2022, Dr. Anderson, rather than seek and retain a qualified, experienced CFO for long-term tenure, filled the position on an interim basis with an individual experienced in information technology. The SIG determined these decisions greatly impacted the district's financial health and ability to properly manage the financial affairs of the district.

#### **B. SCDE Procurement Audit of JCSD for FY 2018-19**

The [SC Code of Laws, §11-35-5340](#) states that school districts with annual budgets exceeding \$75 million (irrespective of the source of funds) are subject to the provisions of Chapter 35, Title 11, the *South Carolina Consolidated Procurement Code (CPC)*. Those districts with a procurement code determined to be substantially similar to the *CPC* in the written opinion of the South Carolina Division of Procurement Services (DPS) of the State Fiscal Accountability Authority are exempt from the provisions of the *CPC*.

During the tenure of Dr. Anderson, the JCSD's annual budget did not exceed \$75 million and therefore was not subject to the *CPC*. However, JCSD maintained its own [Procurement Code & Regulations](#). The SIG determined the JCSD failed to follow its own procurement policies and regulations.

On 5/18/21, the SCDE Office of Auditing Services (OAS) issued a Procurement Audit report of JCSD for FY 2018-19. The scope of the procurement audit included a review of JCSD expenditures related to contractual services for FY 2018-19. The OAS issued seven findings in its procurement audit report of JCSD, including:

1. The JCSD's Procurement Policy was not followed for purchases
  - a. Small purchases from \$2,500.01 to \$10,000
  - b. Small Purchases from \$10,000.01 to \$50,000
  - c. Purchases exceeding \$50,000
2. The JCSD's Procurement Policy was not followed for sole source procurements
3. The JCSD's Procurement Policy was not followed for emergency procurements
4. The JCSD failed to adhere to [2 CFR Part 200.313 \(4\)\(d\)\(1\)](#)
5. Duplicate Payment – JCSD paid a contractor \$80,876.91 twice for the same purchase.
6. JCSD payment procedures not followed.
  - a. The JCSD failed to follow its payment procedures by not submitting purchase orders for all its purchases.
7. Contracts
  - a. Per JCSD's procurement policy, a contract was not supposed to exceed five (5) years, however, OAS found during its audit, JCSD had a contract with a vendor that exceeded five years.

- b. JCSD failed to submit contracts for three vendors, one of which was a sole source procurement and paid \$436,844.26 during FY 2018-19.

**C. Delinquent Annual Financial Reports – FYs 2022 – 2024**

The most recent annual comprehensive financial report (ACFR) JCSD issued was conducted and reported by Greene Finney Cauley, LLP on 4/18/23, for the fiscal year ending 6/30/22 (FY2022). The schedule of findings and questioned costs for FY 2021-22 included a repeat finding from the prior year audit related to JCSD's financial records not being properly and timely closed out for the years ended 6/30/21 and 6/30/22. As of the date of the SIG's report, the ACFRs for FY 2022-23 and FY 2023-24 have not been issued by JCSD.

**D. Questionable payments to JCSD employees**

The SCDE, while providing financial services oversight to the JCSD while it was under Fiscal Emergency, informed the SIG that during a review of financial transactions questionable payments were made to select employees that included bonuses and/or internal dual employment payments. This was independent of the same transactions identified by the SIG. The SIG is aware that the JCSD's priority is to regain compliance with their financial reporting and auditing.

**E. Findings and Recommendations – Fiscal Mismanagement and Recordkeeping**

**Finding Sec. III – 1:** The SIG determined the JCSD, under the leadership of superintendent Dr. Rechel M. Anderson, has not conducted a procurement audit since the issuance of the OAS Procurement Audit Report in 2021 for FY 2018-19. This audit contained significant deficiencies and failure to follow the district's own procurement policies and regulations. The SIG further determined the district did not conduct a subsequent procurement audit that demonstrated the audit findings were corrected.

**Recommendation Sec. III – 1:** The SIG recommends that JCSD engage with the SCDE's OAS, or a state approved accounting firm, to have a procurement audit completed for FYs 2019-20 through 2025.

**Finding Sec. III – 2:** The SIG determined that the former CFO ended her tenure in September 2022 for the JCSD. Consequently, when Dr. Anderson sought to fill the CFO vacancy the decision was made to fill the CFO vacancy on a long-term interim basis with an individual whose background and experience was in information technology, not financial management. Since that time, while under the leadership of Dr. Anderson, the JCSD has been delinquent in the submission of annual audits required by to the SCDE for FYs 2021-22, 2022-23 and 2023-24 pursuant to SC Code of Laws, §59-17-100. This resulted in the SCDE's placement of the JCSD on Fiscal Watch, Fiscal Caution and Fiscal Emergency pursuant to [SC Code of Laws, §59-20-90 \(C\)\(1\)\(a\)\(ii\)](#). Presently, the SCDE is providing financial services oversight to the JCSD while it is under Fiscal Emergency.

**Recommendation Sec. III – 2:** The SIG recommends that the JCSD identify and fill the CFO position on a permanent basis with an experienced financial manager.

**Finding Sec. III – 3:** The SIG identified questionable payments made to select JCSD staff that included bonuses and/or dual employment payments. These transactions were independently identified by SCDE staff providing financial services oversight to the district while it is under Fiscal Emergency.

**Recommendation Sec. III – 3:** The SIG recommends that SCDE conduct a thorough review of these questionable transactions to determine the necessity behind the payments.

**IV. Conflicts of Interest and Possible Violations of the State Ethics Act**

The JCSB failed to supervise Dr. Anderson's outside employment and business ventures and hold her accountable for her fiduciary duty of loyalty to the JCSD. This resulted in poor leadership to the district by Dr.

Anderson, poor oversight by the JCSB, conflicts of interest between Dr. Anderson and Cognia, a state-approved vendor, and possible violations of the State Ethics Act.

#### **A. Employment Contract between Dr. Rechel M. Anderson and the JCSB**

Dr. Anderson entered into an [Employment Agreement](#) (“Agreement” or “Contract”) with the JCSB on 6/12/18. Excerpts from the contract include the following:

- Term: *[Dr. Anderson] hereby accepts employment as Superintendent of the District for a term commencing July 1, 2018, and ending June 30, 2021.*
- Certification and Responsibilities of [Dr. Anderson]: *[Dr. Anderson] agrees to devote her time, skill, labor, and attention to said employment during the term of this contract, provided, however, that [Dr. Anderson] may undertake various professional duties and obligations...so long as those activities do not interfere with his duties as Superintendent and have been approved by the Board Chairperson. [SIG emphasis]*
- Compensation: *The Board shall pay [Dr. Anderson] an annual salary of One Hundred Forty-Five Thousand Dollars (\$145,000.00)*
- Residency: *On or before July 1, 2018, [Dr. Anderson] shall establish a residence in or in reasonably close proximity of the District. **Thereafter, and at all times while this Agreement is in effect, [Dr. Anderson] shall reside within the District. [SIG emphasis]** Until such time as [Dr. Anderson] has established a residence as provided herein, [Dr. Anderson] shall regularly participate in afterhours civic and District events.*
- Evaluation:
  - *The Board and Superintendent shall annually establish District goals and objectives for the ensuing school year.*
  - *The Board shall formally evaluate the performance of [Dr. Anderson] once a year during the term of this Agreement, normally in the fall of each year...and also may conduct informal interim evaluations at any time that the Board deems necessary.*
  - *The results of the evaluation and any conclusions drawn by the Board shall be shared with [Dr. Anderson] in executive session. [Dr. Anderson] shall have the right to respond to the results either during the executive session or following the executive session.*
- Termination: *(d) discharge for cause; Discharge for cause shall be based on conduct that is prejudicial to the District, including but not limited to, unprofessional conduct, neglect of duty, suspected criminal conduct, or incompetency. Notice of intent to discharge for cause shall be given in writing by the Board, and [Dr. Anderson] shall be entitled to appear before the Board, in executive session, to discuss such causes...Following the meeting, [Dr. Anderson] shall be provided notice, in writing, of the results of the meeting.*

#### **B. Accreditation of the Jasper County School District**

According to the South Carolina Department of Education’s [website](#),

*Accountability is a key element in the success of educational improvement...all public school districts and schools must comply with the requirements in State Board of Education (SBE) Regulation 43-300 (R.43-300). Accreditation signifies that the public school district and/or school has met professional standards at an acceptable level and is committed to maintaining those standards.*

*To ensure professional standards are being met and all students are being provided with the opportunity to meet the Profile of the South Carolina Graduate, public school districts and schools in South Carolina must choose one of the following two options:*

- 1. Option 1: Accreditation through the South Carolina Department of Education (SCDE) by meeting the standards in the defined program and all current statutes and regulations as prescribed by the State Board of Education and General Assembly. Detailed Option 1 procedures can be found in R.43-300(II)(A) and R.43-300(III).*
- 2. Option 2: Accreditation through an accrediting entity accepted by Higher Education (Cognia). Public school districts and schools must meet the accreditation requirements and timelines set forth by the external accrediting entity. See R.43-300(II)(B).*

In addition to [State Board of Education Regulation 43-300](#) that requires public school districts be accredited by an institution listed in Option 1 or Option 2 above, public school districts are required to be monitored by the SCDE to ensure compliance with state laws, regulations, and policies. The SCDE conducts compliance monitoring of public school districts on a schedule publicly posted by the SCDE.

On 8/8/23, the SCDE presented its [“2022-23 Report of the Accreditation of School District in South Carolina”](#) to the SBE during the SBE’s board meeting. The report included the following table, which illustrated how many South Carolina school districts were accredited by Option 1 (SCDE), Option 2 (Cognia), and the total number of school districts monitored by SCDE for compliance during 2022-23 school year:

| Classification                 | Totals |
|--------------------------------|--------|
| Option 1 Districts (SCDE)      | 3      |
| Option 2 Districts (Cognia)    | 71     |
| Compliance Monitored Districts | 20     |

In the SCDE [report](#), JCSD was listed as having a final status of: “Accredited/Cognia.” In addition, JCSD was also listed as one of the 20 Compliance Monitored Districts with a final status listed as: “Monitored/All Clear.”

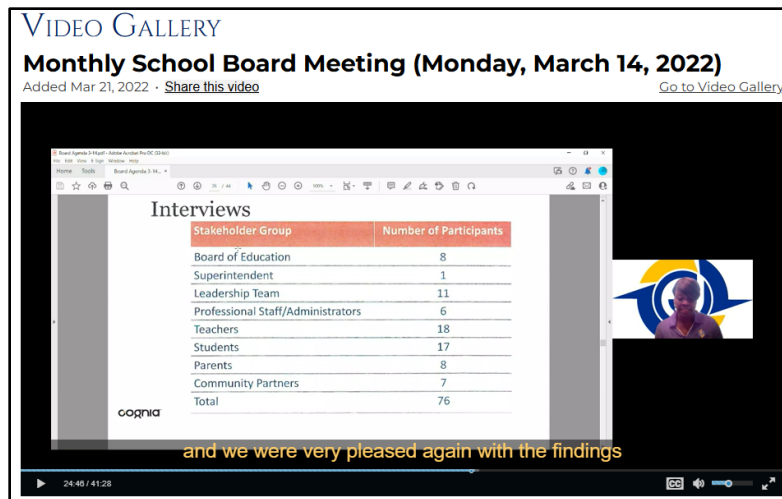
### **C. Conflicts of Interest between Dr. Anderson, Cognia and the JCSD**

The SIG identified multiple instances of conflicts of interest whereby Dr. Anderson placed her personal interests above her fiduciary duties to the JCSD. The SIG noted the [Cognia Conflict of Interest Policy](#) states:

*“Cognia officers, staff, board members, agents, contractors, and volunteers acting on behalf of Cognia and its various operating divisions (all above-referenced groups are hereinafter referred to as “Cognia Representatives”) shall conduct themselves in a manner which seeks to avoid a conflict of interest or any appearance of a conflict of interest between personal interests and interests of Cognia. Cognia Representatives have a fiduciary duty which includes a duty of loyalty.”*

#### **Conflict of Interest #1: Cognia Accreditation Report – March 2022**

The SIG reviewed the 3/14/22 JCSB meeting video and minutes available on the district’s website. A screenshot taken from the 3/14/22 JCSB meeting portrayed Dr. Anderson’s presentation of the “Cognia Exit Report” to the JCSB. (See: [Monthly School Board Meeting \(Monday, March 14, 2022\) | Jasper County School District](#))



According to the JCSB minutes of the 3/14/22 board meeting, Dr. Anderson reported the following regarding the district's accreditation by Cognia:

- *Cognia Exit Report: Cognia accreditation has been completed. The board received and reviewed the District's Exit Report. The Cognia team visit was virtual and held February 27 - March 2, 2022. The final report and IEQ Score from the review team will be shared once it is received. Once the final report is received, community sessions will be held and a request to present to County Council will be made, so the district may remain transparent about its continuous improvement efforts.*
- *Cognia STEM Accreditation: The STEM certification process will begin soon. The board received and reviewed the details of the processes' initial scope of work. Dr. Anderson reviewed the highlights briefly along with the deliverables. The visit will be April 5 - 6, 2022.*

In addition to the standard evaluation metrics considered by the JCSB, Dr. Anderson exploited the Cognia benchmarks, reviews, etc. as justification for an alleged performance bonus in 2022.<sup>3</sup> While seemingly organic in nature, the Cognia accreditation was tainted with conflict.

The SIG determined that Dr. Anderson received approximately \$48,000 as a paid agent of Cognia, both as a W-2 employee and as a contractor of Cognia, while Cognia simultaneously served as the accrediting body of JCSD during her tenure as the JCSD superintendent.<sup>4</sup> Dr. Anderson utilized a separate email address while working for Cognia: [rechel.anderson@Cognia.org](mailto:rechel.anderson@Cognia.org). The SIG did not identify any documentation that Cognia ever disclosed to the JCSB that Dr. Anderson was also a paid agent of Cognia.

The SIG determined that Dr. Anderson failed to disclose the income received from Cognia on her Statement of Economic Interest (SEI) filed with the State Ethics Commission. Furthermore, Cognia employment records indicate Dr. Anderson did not reside in or near the JCSD in violation of the residency clause of Dr. Anderson's employment contract with the JCSB.

<sup>3</sup> <https://www.jcsd.net/apps/video/watch.jsp?v=345226> see generally 21:00 minutes into video for specific Cognia justification. The JCSB specifically cited Cognia as part of the justification for the performance review and salary bonus – approximately 57:00.

<sup>4</sup> Cognia continued its employment relationship with Dr. Anderson even after Dr. Anderson received a [public reprimand](#) for from the SCDE for “unprofessional conduct” on 8/13/19.

## Conflict of Interest #2 – Payments received from a state-approved contractor

Cognia is a state-approved contractor with the SCDE to deliver accreditation services for South Carolina public school districts. To that end, public school districts that utilized Cognia for its accreditation services pay an annual membership fee to Cognia. On 8/18/23, Dr. Anderson signed and issued JCSD check number 144967 to Cognia in the amount of \$6,000 for the JCSD's membership with Cognia, or \$1,200 for each of the five JCSD schools as illustrated below.

THIS CHECK IS PRINTED WITH A COLOR BACKGROUND AND CONTAINS A VOID PANTOGRAPH, MICROPRINTING FACE AND BACK, AND AN ARTIFICIAL WATERMARK VISIBLE ON THE BACK.

Jasper County School District  
10942 N Jacob Smart Blvd  
PO Box 848  
Ridgeland, SC 29936

SOUTH CAROLINA BANK & TRUST  
RIDGELAND, SC  
67-98/532

No. 144967  
EXPENSE 1042  
DATE 08/18/2023  
CHECK AMOUNT: \$6,000.00

PAY \*\*\*Six Thousand and 00/100 Dollars\*\*\*

TO COGNIA INC.  
THE PO BOX 746805  
ORDER ATLANTA, GA 30374-6805  
OF

*Dr. Rachel M. Anderson*

⑈ 144967 ⑈ ⑆ 053200983 ⑆ 140287632 ⑈

On 11/21/23, Cognia issued two checks (#20995 and #20996) payable to Dr. Anderson in the amounts of \$3,000 and \$210.54, respectively, and a third check (#21778) on 12/12/23 in the amount of \$3,000, addressed to Dr. Anderson at her Florence, South Carolina address. (see below examples)

Cognia Inc.  
9115 Westside Pkwy  
Alpharetta, GA 30009

0000020995  
November 21, 2023

00 - 102 / 433

Pay To The Order Of: Rachel M. Anderson  
Florence, SC 29501

\*\*\*\*\*\$3,000.00\*\*\*

Amount: THREE THOUSAND DOLLARS 00/100

*Maria A. Sells*  
Authorized Signature

PNC Bank, N.A. 001

Cognia Inc.  
9115 Westside Pkwy  
Alpharetta, GA 30009

0000020996  
November 21, 2023

00 - 102 / 433

Pay To The Order Of: Rachel M. Anderson  
Florence, SC 29501

\*\*\*\*\*\$210.54\*\*\*

Amount: TWO HUNDRED AND TEN DOLLARS 54/100

*Maria A. Sells*  
Authorized Signature

PNC Bank, N.A. 001

Cognia Inc.  
9115 Westside Pkwy  
Alpharetta, GA 30009

0000021778  
December 12, 2023

00 - 102 / 433

Pay To The Order Of: Rachel M. Anderson  
Florence, SC 29501

\*\*\*\*\*\$3,000.00\*\*\*

Amount: THREE THOUSAND DOLLARS 00/100

*Maria A. Sells*  
Authorized Signature

PNC Bank, N.A. 001

Concurrent with the checks issued in November and December 2023, Cognia representative Dr. Maria Sells and Dr. Anderson met on 11/28/23 following a Cognia team [visit to JCSD schools](#). (See also, [Thank you! | Jasper County School District](#)) The SIG received the following schedule of payments made to Dr. Anderson from Cognia for Dr. Anderson's work on Cognia accreditation reviews. This information was compiled by Cognia representatives Dr. Maria Sells and Dr. Annette Melton.



| Accreditation Reviews (Rechel Anderson)<br>Information provided by Maria Sells and Annette Melton |                    |                |                                                                                                           |                             |
|---------------------------------------------------------------------------------------------------|--------------------|----------------|-----------------------------------------------------------------------------------------------------------|-----------------------------|
| Dates of review                                                                                   | Classification     | State          | School or District Review                                                                                 | Pay                         |
| November 29- Dec. 2, 2016                                                                         | Contractor         | Kentucky       | Iroquois High School                                                                                      | \$3,000.00                  |
| February 19-22, 2018                                                                              | Contractor         | Kentucky       | Byck Elementary School                                                                                    | \$3,000.00                  |
| January 22-25, 2019                                                                               | Contractor         | Kentucky       | Holmes Middle School                                                                                      | \$3,000.00                  |
| February 25-28, 2019                                                                              | Contractor         | Kentucky       | Fayette Co. District                                                                                      | \$3,000.00                  |
| March 4-7, 2019                                                                                   | Contractor         | Kentucky       | Western High School                                                                                       | \$3,000.00                  |
| April 12-15, 2022                                                                                 | Contractor         | Alabama        | Pleasant Grove HS                                                                                         | \$3,000.00                  |
| July 1 – November 11, 2022                                                                        | Part-Time Employee | North Carolina | East Bladen High School<br>Orange County Schools<br>The Governor Morehead School<br>Warren County Schools | (Annual Salary)<br>\$40,000 |
| December 5-8, 2022                                                                                | Contractor         | Kentucky       | Bellevue Independent Schools<br>District level review                                                     | \$3,000.00                  |
| January 9-12, 2023                                                                                | Contractor         | Kentucky       | Fayette County Schools District level review                                                              | \$3,000.00                  |
| October 24-27, 2023                                                                               | Contractor         | Mississippi    | McCoy Elementary School was Webster and McCoy (Merged into McCoy)                                         | \$3,000.00                  |
| November 13-16, 2023                                                                              | Contractor         | Mississippi    | Ida Greene Elementary School                                                                              | \$3,000.00                  |
| January 16-19, 2024                                                                               | Contractor         | Kentucky       | Cane Run Elementary                                                                                       | \$3,000.00                  |

### Conflict of Interest #3: Abuse of position and Cognia relationship by Dr. Anderson

By letter dated 4/18/24, Cognia formally notified Dr. Anderson, in her official capacity as the JCSD superintendent, of a complaint made to Cognia regarding perceived struggles with the JCSB and the board's interactions with Dr. Anderson. The JCSD was directed to respond to the Cognia letter and bring it to the attention of Dr. Andre L. Harrison, Vice President Accreditation Services for Cognia. The SIG observed there was no mention that Dr. Anderson was a paid agent of Cognia in the letter.

The 4/18/24 complaint letter from Cognia to Dr. Anderson began with the following:

*"Cognia has received complaints regarding Jasper County School District. This letter is to notify you of the complaints and to request a written response from you. The complaints primarily center on the Jasper County School Board upholding its duties as a governing body and selected members adhering to their roles and responsibilities as members of the Board."*

The Cognia records reviewed by the SIG indicated the Cognia complaint letter was initiated by Dr. Anderson herself, and that Dr. Anderson and Dr. Harrison had already been in contact regarding the matter. The SIG identified a text message dated 4/2/24 from "dr. [sic] Anderson" among the Cognia records that read in part,

*"Hi Dr. Harrison...Thank you for speaking with me today...The following are the dates of the occurrences regarding specific board members micro-managing and breaking policy..."*

A few months prior to the April 2024 complaint letter, and days following the 11/8/23 JCSB meeting, Dr. Anderson sent a "CONFIDENTIAL" email to [Annette.Melton@Cognia.org](mailto:Annette.Melton@Cognia.org) on Saturday, 11/11/23 at 6:07 p.m. The email, while several pages in length, focused on the JCSB and read in part,

*“To be specific, the board is dysfunctional....Please consider my formal request to conduct a Progress Monitoring Visit; with a laser-like focus on the Jasper County School District Board of Trustees.”*

The SIG reviewed the [11/8/23 JCSB meeting video](#) and determined that no JCSB dysfunction existed, as described in Dr. Anderson’s email to Cognia.

The SIG observed that in the email discussions between Dr. Anderson and Cognia regarding the above complaint(s), Dr. Anderson was actively working for Cognia in Kentucky as a paid agent.

**From:** Anderson, Rechel <[rechel.anderson@jcsd.net](mailto:rechel.anderson@jcsd.net)>  
**Sent:** Wednesday, January 17, 2024 4:19 AM  
**To:** Kim Lytle <[kim.lytle@cognia.org](mailto:kim.lytle@cognia.org)>  
**Subject:** Re: Cognia Meeting Request- Complaint Related Matter: Jasper County School District- SC

Greetings,  
I am currently leading a Diagnostic Review in KY. Due to the weather, the schedule is a bit abbreviated. As a result, and to respect Dr. Harrison's availability, I can be available any day this week, except Friday. Let me know what works for him.  
Thank you and take care,  
Rechel

By email dated 1/19/24 at 2:07 p.m., Kim Lytle informed Dr. Anderson that Cognia would delay a meeting regarding Dr. Anderson’s *“formal request to conduct a Progress Monitoring Visit”* until Dr. Anderson finished her paid work for Cognia in Kentucky:

*“I hope your week has gone week [sic]. I thought it might be easier to connect next week given the Diagnostic Review you are leading and the inclement weather this week.”*

[34 CFR 602.25\(f\)\(1\)\(ii\)](#) would likely have presented an issue if there had been an appeal of any sort of negative finding regarding the board versus superintendent [Anderson] "complaint." Accordingly, there ultimately was no negative finding – the complaint process was at best a ruse. *See also, 34 CFR 602.15(a)(6): "Clear and effective controls, including guidelines, to prevent or resolve conflicts of interest, or the appearance of conflicts of interest..."*

The SIG determined the employment relationship between Dr. Anderson and Cognia represented a substantial conflict of interest. Dr. Anderson exploited her employment with Cognia against her official employer the JCSB when an “alleged” complaint was made to Cognia.

As a result of the Cognia complaint, Dr. Anderson caused the JCSD to expend \$4,571.25 in legal fees in May 2024 to address this matter.

#### Conflict of Interest #4: State Ethics Act – failure to disclose contractor relationship and payments

Dr. Anderson failed to disclose her employment relationship with Cognia, a state-approved contractor, as well as the money received from Cognia in her publicly available SEI filings, in violation of the State Ethics Act, SC Code of Laws, §8-13-700 et seq.

The SIG observed Dr. Anderson’s [SEI 2023 Report](#) for calendar year 2022 purported to provide transparency regarding her income:

| Income from an SC Governmental Entity |             |                        |
|---------------------------------------|-------------|------------------------|
| Source                                | Income Type | Income Amount for 2022 |
| Jasper County School District         | Income      | \$205,713.00           |

The SIG determined this disclosure of income was false.

A review and analysis of the 2023 SEI report falsely attributed 100% of Dr. Anderson’s total 2022 income (\$205,713) as coming from her employment as the JCSD superintendent. The SIG determined that Dr. Anderson failed to disclose that \$14,718 of the \$205,713 came from her income received from Cognia identified in a separate Cognia W-2 statement [EIN 20-8613765].

Further analysis of Dr. Anderson’s 2023 SEI report determined that no income was reported under the subheading, “*Income from Contractors Associated with Your Governmental Entity.*” The JCSD held membership with Cognia, a state-approved contractor for accreditation purposes, and Dr. Anderson maintained an **employee/employer relationship with Cognia** as an accreditation reviewer. [SIG emphasis]

A Cognia official stated to the SIG that Cognia “contracted” with Dr. Anderson and provided the SIG with the following table of reviews conducted by Dr. Anderson and payments made by Cognia to Dr. Anderson.

| The following is a list of all Diagnostic Reviews where Dr. Anderson was contracted to be the lead evaluator: |             |                                                                   |            |
|---------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------|------------|
| Dates of review                                                                                               | State       | School or District Review                                         | Honorarium |
| November 29- Dec. 2, 2016                                                                                     | Kentucky    | Iroquois High School                                              | \$3,000.00 |
| February 19-22, 2018                                                                                          | Kentucky    | Byck Elementary School                                            | \$3,000.00 |
| January 22-25, 2019                                                                                           | Kentucky    | Holmes Middle School                                              | \$3,000.00 |
| February 25-28, 2019                                                                                          | Kentucky    | Fayette Co. District                                              | \$3,000.00 |
| March 4-7, 2019                                                                                               | Kentucky    | Western High School                                               | \$3,000.00 |
| April 12-15, 2022                                                                                             | Alabama     | Pleasant Grove HS                                                 | \$3,000.00 |
| December 5-8, 2022                                                                                            | Kentucky    | Bellevue Independent Schools District level review                | \$3,000.00 |
| January 9-12, 2023                                                                                            | Kentucky    | Fayette County Schools District level review                      | \$3,000.00 |
| October 24-27, 2023                                                                                           | Mississippi | McCoy Elementary School was Webster and McCoy (Merged into McCoy) | \$3,000.00 |
| November 13-16, 2023                                                                                          | Mississippi | Ida Greene Elementary School                                      | \$3,000.00 |
| January 16-19, 2024                                                                                           | Kentucky    | Cane Run Elementary                                               | \$3,000.00 |
| Best,<br>Maria                                                                                                |             |                                                                   |            |

The SIG notes, this is in addition to the time frame when Dr. Anderson was a W-2 employee of Cognia for 2022. The [Cognia Conflict of Interest Policy](#) states, “*Cognia Representatives have a fiduciary duty which includes a duty of loyalty.*”

Cognia informed the SIG that: “*Jasper’s Accreditation Engagement Review was held November 27-30, 2022. Diagnostic Reviews for Jasper schools were held November 27-30, 2023, as part of the SCDE Diagnostic Review contract for underperforming schools.*”

The SIG observed the two (2) Jasper/Cognia review periods occurred within weeks when Cognia “contracted” with the JCSD superintendent per the above table, e.g. \$6,000.

In simple terms, a vendor for a government body that receives substantial taxpayer funds in the form of membership fees plus other accreditation fees was simultaneously paying money to the head that government body. The SIG observed, this was no ordinary vendor; it was the district’s accreditation entity approved by the SCDE.

For example, Dr. Anderson signed JCSD check #143550 for \$3,000, dated 02/14/2023, payable to Cognia.

The image shows two checks from Cognia. The left check is #143550, dated 02/14/2023, for \$3,000.00, payable to Rachel M. Anderson. The right check is #0000018112, dated February 03, 2023, for \$3,000.00, payable to Rachel M. Anderson. Both checks are signed by Dr. Anderson.

This occurred within weeks of Cognia check #0000018112 for \$3,000, dated 02/03/2023, payable to Rachel M. Anderson. The SIG observed that the very next sequentially numbered check from Cognia was also deposited into Dr. Anderson's personal bank account:

The image shows check #0000018113 from Cognia, dated February 03, 2023, for \$662.86, payable to Rachel M. Anderson. The check is signed by Dr. Anderson.

This practice continued into 2025, when an attorney for the JCSD/JCSB emailed Dr. Annette Melton of Cognia on 1/30/25, to discuss plans for a "retreat" and inquired if one or more Cognia representatives could also attend to present at the planned March 14/15 retreat. This outreach was at the recommendation of Dr. Anderson in an [email dated 6/2/24](#). The SIG identified Annette Melton as Dr. Anderson's "immediate supervisor" while Dr. Anderson was a 20-hour per week remote employee of Cognia.<sup>5</sup>

Either JCSB and JCSD/JCSB's attorney knew they were sending the request to Dr. Anderson's prior "immediate supervisor" from Cognia, or the board and the JCSD/JCSB's attorney were unaware of the employment relationship between Dr. Anderson and Cognia and that conflict of interest risk existed.

### Summary Analysis and Conclusion

Cognia's own [policies](#) defined Dr. Anderson's role with Cognia as that of a fiduciary. The SIG was unable to reconcile the dual role of Dr. Anderson having a fiduciary duty to the JCSD and the JCSB, while simultaneously having a fiduciary duty to a state-approved vendor [Cognia] for the district. The SIG noted that it is wholly improper for any superintendent to have more than one "immediate supervisor." In the case of Dr. Anderson the one and only "immediate supervisor" should have been solely the JCSB, not both the JCSB and Cognia.

The SIG determined Dr. Anderson received substantial funds from Cognia and was eventually hired as a W-2 employee of Cognia in June of 2022, and was a paid contractor of Cognia dating back to 2016. Accordingly, the SIG assessed that the accreditation process of the JCSD was tainted by the employee/contractor and fiduciary relationship between Dr. Anderson and Cognia, the JCSD's accrediting body.

Furthermore, the SIG determined Dr. Anderson's paid relationship with Cognia was an extreme-high-risk of fraud due to the inherent conflict of interest. It also raised questions concerning other South Carolina public

<sup>5</sup> Offer of employment for the position of Regional Accreditation Evaluator, date 6/15/22 between Cognia and Dr. Anderson.

school superintendents and senior officials who may have a similar contractor/employee relationship as an accreditation reviewer for Cognia, either personally or through a business, such as a limited liability corporation, and engage Cognia as the accrediting body for the district.

The SIG notes that according to the SCDE [2022-23 Report of the Accreditation of School Districts in South Carolina](#), 70 other South Carolina local public schools utilize Cognia as the accreditor. The SIG sampled and reviewed the publicly available financial transparency documents for FY22-23 and calculated an average of \$24,950 per year of payments made to Cognia by those districts, e.g. \$1,746,507 via extrapolation. Additionally, the SIG observed that SCDE paid Cognia \$553,947 for an invoice dated 12/20/23.

**D. Findings and Recommendations - Conflicts of Interest and Possible Violations of the State Ethics Act**

**Finding Sec. IV – 1:** The SIG identified numerous examples of conflicts of interest and fiduciary roles based on the employee/employer relationship between Dr. Anderson and Cognia, a state-approved vendor. Dr. Anderson maintained an employee/employer relationship with Cognia as an accreditation reviewer for the period of 2016 - 2024.

Dr. Anderson's 2023 SEI report falsely attributed 100% of Dr. Anderson's total 2022 income (\$205,713) as coming from her employment as the JCSD superintendent. The SIG determined that Dr. Anderson failed to disclose that \$14,718 of the \$205,713 came from her income received from Cognia identified in a separate Cognia W-2 statement [EIN 20-8613765]. In addition, Dr. Anderson's 2023 SEI report did not report any income under the subheading, "*Income from Contractors Associated with Your Governmental Entity.*" Furthermore, no disclosure of income from Cognia was reported on Dr. Anderson's Statements of Economic Interest filings for 2017 – 2024. This is a potential violation of the State Ethics Act, SC Code of Laws, §8-13-700(A).

**Recommendation Sec. IV – 1:** The SIG, pursuant to SC Code of Laws, §1-6-40(B), shall refer the failure to the appropriate state law enforcement agency and prosecuting authority as a potential violation of the State Ethics Act, SC Code of Laws, §8-13-700(A).

**Finding Sec. IV – 2:** The SIG determined that the employee/employer relationship between Dr. Anderson and Cognia tainted the accreditation process for the JCSD in that Dr. Anderson maintained competing fiduciary duties to both the JCSD and Cognia, its accreditation entity. The JCSD had two options to select the entity that provided its accreditation: Option 1: South Carolina Department of Education, and Option 2: Cognia.

**Recommendation Sec. IV – 2a:** The SIG recommends that the South Carolina Department of Education review the appropriateness of a public school district, whose superintendent or other senior officials have a contractor/employee relationship with Cognia, either personally or through a business, such as a limited liability corporation and selects Cognia as its accreditation entity.

**Recommendation Sec. IV – 2b:** The SIG recommends that the South Carolina Department of Education consider requiring public school districts select "Option 1" for accreditation when the district's superintendent or senior officials are a contractor/employee of Cognia to avoid the appearance of or an actual conflict of interest in the accreditation process.

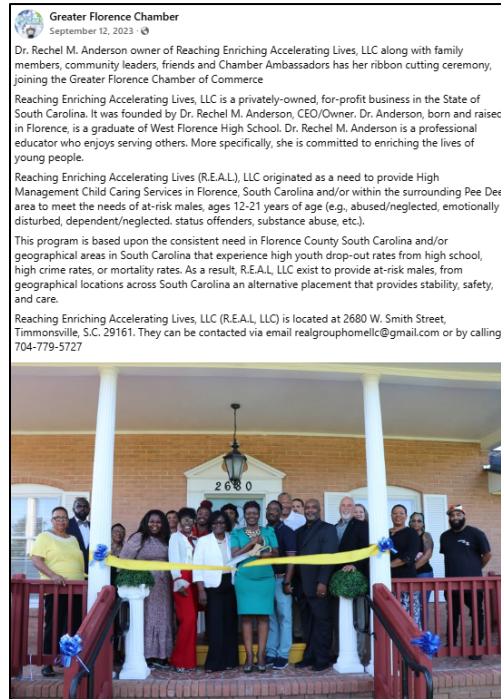
**Recommendation Sec. IV – 2c:** The SIG recommends that the JCSB seek legal advice as to whether Dr. Anderson breached her employment contract with the district by having an employee/employer relationship with a state-approved vendor [Cognia] – or if the contract was ever valid to begin with. (See also, S.C. Code Ann. § 8-11-30, § 8-13-790, etc.)

## **V. Unapproved Business Ventures of Dr. Anderson**

The SIG identified several outside business ventures of Dr. Anderson's that possibly violated terms of her JCSD employment contract and further established that Dr. Anderson's residency did not lie within the boundaries of the JCSD as required by her employment contract.

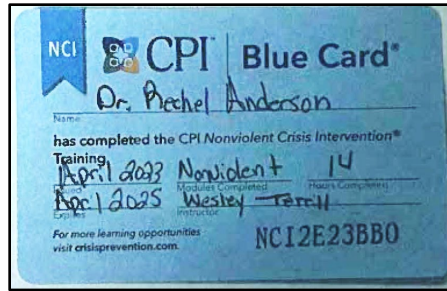
### **A. Reaching, Enriching, and Accelerating Lives' (R.E.A.L), LLC**

The South Carolina Secretary of State (SOS) records revealed the agent and sole organizer of R.E.A.L., LLC was Dr. Rechel M. Anderson. The Articles of Organization were filed with SOS on 7/14/17 by Dr. Anderson. On 9/12/23, the Greater Florence Chamber of Commerce (GFCOC) posted the following image and caption regarding R.E.A.L.'s ribbon cutting ceremony on the GFCOC [Facebook page](#):



As noted in the image above, R.E.A.L, LLC was owned by superintendent Dr. Rechel M. Anderson. R.E.A.L., LLC was described as a privately-owned, for-profit business in the State of South Carolina and originated to provide High Management Child Caring Services in Florence, South Carolina and/or within the surrounding Pee Dee area to at-risk males, between the ages of 12 and 21 years old. The SIG reviewed SCDSS records pertaining to R.E.A.L., LLC, and noted the following:

- On 10/28/22, Dr. Rechel M. Anderson initially applied for a license through SCDSS, the State's licensing department, to operate a residential group care facility (RGCF) in Timmonsville, SC, for male children between the ages of 12 and 21 for care, maintenance, training, and supervision.
- The SCDSS Group Home Initial Application Site Visit Narrative form included the following information:
  - Dr. Rechel M. Anderson was the Owner /Executive Director of R.E.A.L.
  - R.E.A.L was a for-profit company.
  - R.E.A.L. staff was trained in a nationally accredited restraint training curriculum: CPI (De-escalation)



- On 7/03/23, SCDSS issued R.E.A.L. a license to operate a group home Florence County.
- On 6/05/24, Dr. Anderson requested to close the facility.
- By letter dated 6/20/24, SCDSS informed Dr. Anderson that the license for R.E.A.L. would be closed effective 6/18/24.
- On 8/24/24, Dr. Rachel M. Anderson, in the capacity of “Organizer,” filed Articles of Termination for R.E.A.L with the SOS. The date of dissolution of R.E.A.L. was listed as 6/17/24.

The SIG contacted the Crisis Prevention Institute (CPI) to verify the authenticity of the above CPI Blue Card allegedly issued to Dr. Anderson in April 2023 [NC12E23BB0]. CPI informed the SIG: *“we have no record of Mr. Terrill or [REDACTED] ever conducting any training. Consequently, we cannot verify the legitimacy of the blue cards you provided.”* The possible fraudulent CPI certification was submitted to the SCDSS as part of the application process to operate a residential group care facility.

The SIG’s review of R.E.A.L. financial records determined that between 10/09/23 and 1/23/24, R.E.A.L. was paid \$71,618.44 by SCDSS.

### **B. Island Vibe Cafe’ & Coffee House, LLC**

A review of SOS records for the Island Vibe Cafe’ & Coffee House, LLC, determined it was organized by two individuals on 10/18/20, including, Dr. Rechel M. Anderson who was also listed as the registered agent. The SIG determined there was no record of this business being reported to the JCSB in the board meeting minutes, nor that Dr. Anderson reported this business on her public SEI’s (2020-2024) with the State Ethics Commission.

On 5/27/24, [The Sun News](#), published an article, *Chef pours Caribbean culture into dishes at new coffee shop in downtown Myrtle Beach, SC* (including pictures below), Island Vibe grand opening was on Thursday, 5/23/24, even though the business was organized and opened four years prior during Dr. Anderson’s tenure as the JCSD superintendent.



### **C. Enriching Growing Minds (E.G.M.), LLC**

According to SOS records, E.G.M., LLC was solely organized by Dr. Rechel M. Anderson on 8/24/24, which the SIG noted was approximately a month [7/16/24] after the JCSB placed Dr. Anderson on administrative leave pending an internal investigation by an outside law firm hired by the JCSB.<sup>6</sup>

The SIG reviewed SCDSS records pertaining to E.G.M., LLC, and noted the following:

- Enriching Growing Minds (E.G.M.), LLC was licensed by SCDSS to operate a group home in Darlington County on 2/05/25.
- On 9/02/24, Dr. Anderson sent photos of the Darlington home for SCDSS review, including the measurements of each room in the house.
- The four-bedroom two-bathroom house allowed for the licensing of ten children of male gender between the ages of 12 and 21.
- SCDSS records revealed three-bedrooms were to be occupied by children and the fourth bedroom above the garage was to be used as an office by E.G.M., LLC staff.

SC Code of Regulations §114–592 (11) Staff Facilities states:

*(a) Staff who reside on campus shall be provided with sleeping quarters separate from the children. An exception for sleeping areas will be provided for facilities with staff awake during the night.*

On 10/24/24, ten days after the JCSB voted to terminate Dr. Anderson's contract, SCDSS licensing staff met with Dr. Anderson at the Darlington address for the purpose of Dr. Anderson opening a new group home.

The "capital on hand" submitted by Dr. Anderson to SCDSS for licensure of a new group home included the JCSD-paid annuity account statements from the insurance company, and a screen shot of a business checking account "Enriching Growing Minds (E.G.M.), LLC," that indicated \$50,000 from the insurance company was deposited into the business account on 9/05/24.

The SIG obtained and reviewed records provided by the insurance company as it pertained to Dr. Anderson's Jasper County Schools 403(b) Plan(s). In reviewing the insurance provider records the SIG noted the following:

- Dr. Anderson applied for a \$50,000 loan from her JCSD annuity account on 8/21/24.
- Dr. Anderson applied for a home loan to be repaid over a period of 25 years. The loan request stated: ***The purpose of the loan must be for the building or purchase of a principal residence for the annuitant/participant. [SIG emphasis]***
- The \$50,000 loan was deposited into Dr. Anderson's personal account on 9/05/23, and subsequently transferred to an E.G.M., LLC bank account on the same day.
- On 8/23/24, Dr. Anderson applied for an annuity hardship/unforeseeable emergency withdrawal and requested \$30,000 plus applicable taxes.
- The purpose given for the emergency withdrawal request was the purchase of a principal residence (not for payment on existing mortgage). Attached with the hardship withdrawal request was an agreement/contract to buy and sell residential real estate. The address listed on the agreement/contract was the same address listed for E.G.M., LLC.

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<sup>6</sup> JCSB [letter](#) to Dr. Anderson, dated 7/17/24, placing Dr. Anderson on administrative leave pending an internal misconduct investigation.

- The \$30,000 from the insurance company was deposited into Dr. Anderson’s personal bank account on 9/23/24, and subsequently transferred to an E.G.M., LLC bank account on the same day.

On 3/12/25, photographs were posted on the [E.G.M. Facebook page](#) photographs of the grand opening of E.G.M. on 3/10/25.

#### **D. Professional Walk: An Educator’s Perspective**<sup>7</sup>

On or about December 2022 – during her JCSD tenure – Dr. Anderson published a 134-page book titled “*Professional Walk: An Educator's Perspective*.” The final sentence of the back cover states: “*Embracing who she is has been primary to Rechel’s achievement and she calls on readers to stand confidently in who they are to reach the heights of success they desire.*”

As of 5/23/25, Dr. Anderson’s [website](#) lists her book for sale and includes the following job description: “*In her present position as Superintendent in Jasper County School District, Dr. Anderson is working to improve the school district with a specific emphasis on curriculum and instructional programs that make a positive impact on the culture of achievement in the district.*”

Dr. Anderson’s JCSD contract explains: “*Dr. Anderson agrees to devote her time, skill, labor, and attention to said employment during the term of this contract, provided, however, that Dr. Anderson may undertake various professional duties and obligations, including writing, lecturing, and speaking engagements so long as those activities do not interfere with his [sic] duties as Superintendent and have been approved by the Board Chairperson.*”

Multiple high ranking, current and former JCSD staff and JCSD Board members informed the SIG that Dr. Anderson was rarely in her office, nor at any JCSD property. Writing a book, starting a restaurant (not in Jasper County), multiple for-profit “boys homes” (not in Jasper County), as well as substantial outside employment/contracting as a paid agent for Cognia, diluted the attention and availability of Dr. Anderson to adequately perform the duties required by her employment contract.

#### **E. Findings and Recommendations - Unapproved Business Ventures of Dr. Anderson**

**Finding Sec. V – 1:** The *Certification and Responsibilities of [Dr. Anderson]* section of the employment contract between Dr. Anderson and the JCSB stated in part, “[*Dr. Anderson*] agrees to devote her time, skill, labor, and attention to said employment during the term of this contract, provided, however, that [*Dr. Anderson*] may undertake various professional duties and obligations, including writing, lecturing, and speaking engagements so long as those activities do not interfere with his [sic] duties as Superintendent and have been approved by the Board Chairperson.” ***[SIG emphasis]***

Interviews conducted by the SIG determined that Dr. Anderson utilized JCSD staff and resources to assist her in the SCDSS application for R.E.A.L, as well as with the writing of her book, “*Professional Walk: An Educator's Perspective*.” The SIG determined that Dr. Anderson engaged in several unauthorized and/or undisclosed engagements in violation of her contract with JCSB.

<sup>7</sup> Anderson, R. (December 2022). *Professional walk: An educator's perspective*. Hadassah's Crown Publishing, LLC. ISBN: 978-1950894970. Available on [Amazon](#) as of 5/23/25. Also available for purchase at <https://www.rechelanderson.com>. The SIG observed that “Hadassah's Crown Publishing, LLC” and/or any self-published book interests do not appear on Dr. Anderson’s SEI filings: “purchase your very own copy of Dr. Anderson's book entitled, “*Professional Walk: An Educator's Perspective*.” Books are \$20. You may pay with Cash, Cash App or Venmo.” Id.

**Recommendation Sec. V – 1a:** The JCSD should consider developing policies whereby all full-time employees execute an annual attestation certifying their compliance with the district’s outside employment policy (if any). Submission of this attestation would provide the JCSD/JCSB with affirmative documentation to pursue disciplinary action in the event of a violation. In the event an employee is discovered to have violated the terms of the district’s outside employment policy then the JCSD would have justification to recover salaries paid, e.g. receiving money by false pretenses, see also SC Code of Laws, §16-13-240(1).

A possible model for such a policy is promulgated by the University of South Carolina via “[Policy HR 1.30: Outside Employment](#)”. Procedure “B” on page 2 of the policy explains the affirmative attestation process via “*the University’s central reporting systems,*” and the annual execution is demonstrated below:

...professionalactivity.provost.sc.edu

UNIVERSITY OF SOUTH CAROLINA

No financial interests or outside activities.

Hide Answers ▼

1. Have you engaged in outside employment or outside professional activities during the past 12 months or have plans to in the next 12 months?  
No

2. Do you or any of your family members have any outside financial interests that are related to your area of professional expertise and/or your institutional responsibilities?  
No

3. Do you or any of your family members have a role with an entity that conducts business with USC?  
No

4. Do you have a personal or family relationship that could affect or appear to affect your University duties (teaching, research, administrative decisions, purchasing, hiring, etc.)?  
No

5. Are you involved in research sponsored by, or plan to submit proposals to a federal funding agency, including but not limited to the National Science Foundation (NSF), National Institutes of Health (NIH), NASA, or Department of Energy (DOE)?  
No

6. Have you engaged in outside activities that involve a foreign organization(s) in the past 12 months or have plans to do so in the next 12 months, including teaching, conducting research, collaborations or accepting any type of support from a foreign organization(s)?  
No

**Recommendation Sec. V – 1b:** The SIG recommends that the JCSB engage with counsel to update the JCSB/Superintendent contract to include the above annual attestation.

**Recommendation Sec. V – 1c:** The SCDE and the South Carolina State Board of Education should consider developing policies and/or regulations whereby all South Carolina public school superintendent contracts include the above annual attestation.

## **VI. Failure to reside within the JCSD**

The SIG did not identify any evidence that Dr. Anderson ever resided within the JCSD throughout her tenure as JCSD superintendent as the contract expressly required: “[t]hereafter, and at all times while this Agreement is in effect, [Dr. Anderson] shall reside within the District.” Whereas the SIG identified substantial evidence that Dr. Anderson did not reside within the JCSD.

### **A. Cognia Employment Records**

The SIG observed the redacted address for Dr. Anderson on the checks from Cognia was not within the JCSD.

The SIG observed that Dr. Anderson provided Cognia with a resume on or about June 2022. The resume listed Dr. Anderson’s current employment as the JCSD superintendent of JCSD; however, her personal address was a Florence, South Carolina address. Additionally, Dr. Anderson’s W4 for her Cognia employment, signed and dated June 28, 2022, listed her personal address as a Florence, South Carolina address.

## **B. Public Records**

A review of available public records, to include State Ethics Commission filings, SC Division of Motor Vehicles (SCDMV), SC Department of Revenue (SCDOR) and Register of Deeds for Florence and Darlington counties revealed the following:

- The South Carolina Ethics Commission [website](#) regarding Dr. Anderson's SEI reports listed a Florence, SC address.
- The SCDMV records for Dr. Anderson, the SIG did not identify any residence/address within the JCSD.
- Dr. Anderson listed a Florence, SC address on her JCSD W-2.
- Book 791, Page 1508 on the [Florence County Register of Deeds](#) website, is a mortgage executed by Dr. Anderson and recorded on April 10, 2019. §6 on page 7 states: *"Borrower shall occupy, establish, and use the Property as Borrower's principal residence...for at least one year after the date of occupancy..."*
- Book 979, Page 322 on the [Florence County Register of Deeds](#) website, is a mortgage executed by Dr. Anderson and recorded on March 1, 2022. §6 on page 4 states: *"Borrower shall occupy, establish, and use the Property as Borrower's principal residence...as borrower's principal residence for at least one year after the date of occupancy..."*
- Dr. Anderson's annuity paperwork for JCSD included a handwritten executed form by Dr. Anderson dated "3-19-2024" that listed Dr. Anderson's address as a Florence address, that included a box checked "N" [for no] verifying if this was a new address. All correspondence, including statements, viewed by the SIG from the annuity company to Dr. Anderson listed the same Florence address, including the "Residential Loan" application dated "08/21/2024." Additionally, the SIG observed annuity paperwork executed by Dr. Anderson for "an immediate and heavy financial need" dated "08/23/2024" included reference to a [Darlington County address](#), e.g. not Jasper – yet the listed address remained Florence.
- Regarding the Darlington address, the SIG observed the "AGREEMENT/CONTRACT: TO BUY AND SELL REAL ESTATE (RESIDENTIAL)" documents for the purchase contract, executed by Dr. Anderson on "08/20/2024, 06:05:08 PM EDT" that listed Dr. Anderson's then address in Florence.
- SCDOR records made available to the SIG regarding Dr. Anderson indicated no residence or address within the JCSD boundaries.
- Deed book 1116 page 3379 of the [Darlington Clerk of Court/ROD](#) revealed that Dr. Anderson executed a document recorded on "9/23/2024" listing the Florence address as where she was "currently residing."
- Page 8 of the mortgage document located on deed book 1116 page 3379 of the [Darlington Clerk of Court/ROD](#) that Dr. Anderson *"must occupy, establish, and use the Property as Borrower's principal residence within 60 days..."*
- On 5/23/25, the Darlington County Tax Assessor did not list the Darlington County address as the legal residence of Dr. Anderson.

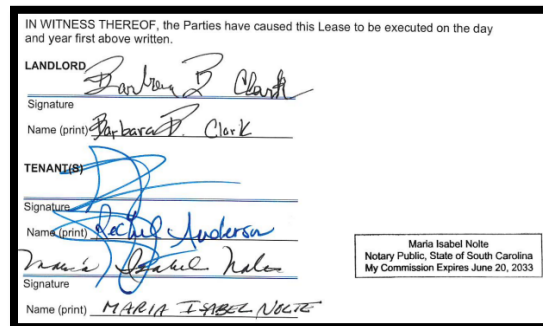
## **C. Fraudulent Lease - Residency**

In 2023 and continuing into 2024, the JCSB had concerns that Dr. Anderson did not reside within the boundaries of the JCSD, in violation of the "residency" clause of her employment contract with the JCSB.

However, one document that purported to satisfy the residency clause of Dr. Anderson's contract was presented to the JCSB at a board meeting in January 2024. As outlined below, Dr. Anderson presented the JCSB with a residential lease that purportedly established her residence within the JCSD boundaries.

The SIG observed that at 5:05 p.m. on 1/8/24, approximately four (4) minutes after a JCSB meeting began, Dr. Anderson's personal lawyer emailed a JCSB/JCSD lawyer a document purporting to be a "lease," "to provide proof of residency for Dr. Anderson."<sup>8</sup> The SIG observed six (6) minutes later, at approximately 5:11 p.m. that the same lawyer forwarded the alleged lease to another lawyer of the law firm for the JCSB/JCSD.

The SIG observed that the validity of the "lease" document was immediately suspect. The document titled: "SOUTH CAROLINA MONTH-TO-MONTH LEASE" and referenced a lease starting on "June 08, 2021." The date of the lease is well after the effective date of the employment contract [July 1, 2018]. A snippet of the signature page is below:



The notary attestation has a notary seal/stamp with a commission expiration date of "June 20, 2033." Per SC Code of Laws, §26-1-10, notary commissions are only valid for ten (10) years. Consequently, this made 6/20/23 the earliest possible date that any genuine SC notary commission could be used to authenticate signature(s) for an SC notary commission that expires on 6/20/33.<sup>9</sup>

The SIG independently confirmed that the lease document contained forged notary indicia and signature(s).

The SIG observed that one or more JCSB members expressed concern as to the validity of the lease, as well as the relationship between Dr. Anderson and her alleged landlord. Eventually the JCSB retained the services of a separate law firm to investigate the matter.

#### **D. Findings and Recommendations - Failure to reside within the JCSD**

**Finding Sec. VI – 1a:** The SIG identified possible criminal activity with the fraudulent submission of a forged residential lease with a forged notary attestation in support of Dr. Anderson's claim of residing within the JCSD boundaries as required by the residency clause of her employment contract with the board. The SCDE confirmed to the SIG that since 5:05 p.m. on 1/8/24 (the time/date the forged lease was presented to the JCSB by Dr. Anderson) the JCSD/JCSB paid Dr. Anderson at least \$661,270.02 plus \$22,597.88 in future amount(s) due. The SIG identified these payments as taxpayer funds received by Dr. Anderson from the JCSD as a result of the forgery.

<sup>8</sup> Archived JCSB minutes and agendas for January 2024 included several references to "Executive Session to discuss legal advice regarding JCSB policy BDD." [Archived JCSB Agendas and Minutes - 2020-2024](#) JCSB policy BDD is titled: "Board-Superintendent Relationship -JCSB Board Policy Online."

<sup>9</sup> Several JCSB members informed the SIG that originally a different version of the lease existed other than the one ultimately submitted to the board. This lease version issue was discussed in the Investigative Report drafted by the law firm the JCSB retained to conduct an internal investigation of Dr. Anderson.

**Recommendation Sec. VI – 1a:** The JCSD/JCSB should consider seeking legal advice to explore any and all remedies available at law or equity, to recover damages incurred due to the legal effects of the forged lease from the party/parties involved.

**Recommendation Sec. VI – 1b:** Based on the determination that possible criminal and fraudulent activity occurred in the submission of a forged residential lease agreement the SIG, pursuant to SC Code of Laws, §1-6-40(B), shall refer this matter to the appropriate law enforcement agency for further investigation.

## **VII. JCSB Internal Investigation**

The JCSB retained the services of Haynsworth Sinkler Boyd P.A. (HSB) to conduct an internal investigation of Dr. Anderson’s conduct in relation to her district employment contract and district policy. On 10/9/24, HSB created a report for the JCSB titled, *“Report to the Jasper County School District Board of Education Concerning Issues Related to Superintendent Dr. Rechel Anderson’s Conduct Being in Accordance with the District’s Employment Agreement and District Policy.”*

The SIG became aware of the existence of the above report on or about 10/16/24 and issued a subpoena per SC Code of Laws, §1-6-50(A)(3) to compel a copy, and ultimately received a 248-page PDF. The SIG observed that the report addressed many of the issues contained herein, and concluded in the final paragraph with the following:

Based on the findings of this investigation, the Board has a basis to terminate Dr. Anderson’s Employment Agreement for cause should the Board decide to take any action. It would be appropriate for the Board to forward certain matters discovered during this investigation including but not limited to the use of JCSD resources and staff for personal business ventures during District operating hours, to the State Ethics Commission and State Law Enforcement Division for further review and determination.

Upon receipt, the SIG inquired with the South Carolina Law Enforcement Division (SLED) as to whether the JCSB forwarded these issues to SLED’s attention. The SIG was informed by SLED that no such referral(s) had been made. In particular, allegations of criminal conduct were not reported to law enforcement for further investigation.

### **A. Findings and Recommendations - JCSB Internal Investigation**

**Finding Sec. VII – 1:** The SIG determined that the JCSB received a professional report that concluded it would be appropriate for the JCSB to refer certain matters related to Dr. Anderson to SLED for further review. The Haynsworth Sinkler Boyd P.A. (HSB) report concluded, the JCSB *“has a basis to terminate Dr. Anderson’s Employment Agreement for cause should the Board decide to take any action.”*

The JCSB failed to refer the report that set forth possible criminal activity occurring in the JCSD. This is a failure in leadership and a failure to uphold the oath of office taken a JCSB member found in Article VI, Section V of the South Carolina Constitution that states:

*“I do solemnly swear (or affirm) that I am duly qualified, according to the Constitution of this State, to exercise the duties of the office to which I have been elected, (or appointed), and that I will, to the best of my ability, discharge the duties thereof, and preserve, protect, and defend the Constitution of this State and of the United States. So help me God.”*

The SIG further determined that the JCSB's failure to forward the report to the appropriate investigative bodies amounted to waste and potentially exposed the JCSD (or its agents) to claims of obstruction by not reporting suspected criminal act(s) to law enforcement. "[C]ommon-law obstruction of justice is conduct that "prevents, obstructs, impedes or hinders the administration of justice." *Misconduct in office occurs when persons in public office fail to properly and faithfully discharge a duty imposed by law.*" State v. Lyles-Gray, 328 S.C. 458 (Ct. App. 1997) (internal citations omitted).

**Recommendation Sec. VII – 1:** The SIG shall refer the HSB report to SLED for further review upon conclusion of its investigation into the JCSD.

## **VIII. JCSB and JCSD Legal Representation**

### **A. JCSB Policy AR BDG-R**

JCSB policy AR BDG-R clearly states the interest of the board is controlling, "*The attorney will be the chief legal advisor and representative of the board and will serve at the will of the board, reporting directly to the board.*" "*In the event of a dispute between the board and the superintendent, the attorney represents the interests of the board.*"

Inevitably, any democratically elected board may seek to revisit – or even challenge – the ongoing role of Dr. Anderson who is the subordinate to the JCSB. The authority for the JCSB to appoint a superintendent via contract was 1989 Act 288:

*"Section 3. The board shall appoint a superintendent of education for the operations of the schools of the county, whose qualifications must enable Jasper County to maintain an accredited school system. The term of office of the administrator must be determined by the board in making a contract with him, but he must not be hired for a term to exceed four years. The salary and expenses of the administrator must be fixed in his contract."*

The SIG is suspect as to the legitimacy of a superintendent contract which expressly requires "six" Board member votes to terminate Dr. Anderson's contract - when it is possible that less than the full attendance of all [nine] Board members may be available.<sup>10</sup> The SIG observed that item II(c) of the 6/11/18 JCSB meeting agenda referenced an executive session topic as: "SUPERINTENDENT ELECT CONTRACT." The SIG notes the one-sided nature of such a clause greatly favors a superintendent, and radically impairs the ability of a board to act.

For example, when one or more board members was unavailable due to illness, conflict of interest, or other reasons, then although a valid quorum would be present for Board action the express requirement of "six" votes perverts the ability of the board by requiring a super-majority, e.g. (6/9=67%, 6/8=75%, 6/7=86%, 6/6=100%, 6/5=120%). "*A majority of such a body must be present to constitute a Board competent to transact business. If a quorum is present, a majority of a quorum is sufficient to act and bind the entire body.*" Gaskin v. Jones, 198 S.C. 508, 18 S.E.2d 454, 456 (1942), *see also*, S.C. Code § 59-15-30.

The JCSB is currently comprised of nine (9) members.<sup>11</sup> Accordingly, a valid JCSB quorum could exist at five (5) present members – expressly requiring "six" votes for the board to terminate a contract creates the scenario

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<sup>10</sup> See superintendent contract, page 8, §11(e): "*The Board may, at its option, unilaterally terminate this agreement upon an affirmative vote of six (6) members of the Board at any regular or special called meeting of the Board.*"

<sup>11</sup> [https://www.jcsd.net/apps/pages/index.jsp?uREC\\_ID=1167443&type=d&pREC\\_ID=1417756](https://www.jcsd.net/apps/pages/index.jsp?uREC_ID=1167443&type=d&pREC_ID=1417756). See also, 1985 Act 278.

that although a valid quorum would be present for board action it would be impossible to terminate Dr. Anderson.<sup>12</sup>

The SIG identified this clause, seemingly approved by the JCSB and the JCSD/JCSB counsel, to be high-risk for abuse. The SIG further questions as to whether this clause (or possibly the entire contract) was void *ab initio* and whether or how the contract's savings clause operates.

### **B. The JCSB lacked adequate oversight and basic contract management**

The JCSB demonstrated a lack of adequate supervision of Dr. Anderson, as well as adequate oversight and basic contract management skills of her employment contract with the district.

The SIG observed that Dr. Anderson's employment contract contained a specific provision that allowed for discharge for cause for certain conduct – including “*unprofessional conduct*.” On 8/13/19, Dr. Anderson received a public reprimand for “*unprofessional conduct*” by the SCDE. ([SCDE's Order of Public Reprimand of Dr. Rechel M. Anderson, 8/13/19](#)) The findings included in part, Dr. Anderson's conduct at the SCDE hearing itself on 6/13/19 and 6/14/19, while the JCSD superintendent contract was in effect.

The SIG observed that in 2024 substantial issues were raised regarding Dr. Anderson's compliance with the residency clause of her employment contract with her employer, the JCSB. This clause stated in part,

*“On or before July 1, 2018. Dr. Anderson shall establish a residence in or in reasonably close proximity of the District. **Thereafter, and at all times while this agreement is in effect, Dr. Anderson shall reside within the District.**” [Superintendent contract, page 5, § 6 (emphasis added)]. The “close proximity” clause is only valid for time-periods on or before July 1, 2018. Whereas after July 1, 2018 “**Dr. Anderson shall reside within the District.**”*

The contract requirement that Dr. Anderson shall reside within the JCSD is consistent with SC Code of Laws, §59-15-10, in that Dr. Anderson is an “*ex officio*” member of the board, and per [1985 Act 278](#) all members of the board “*must be resident electors of the district.*”<sup>13</sup><sup>14</sup> The SIG further observed that [JCSB policy AR BEDH-R](#), to even address the JCSB during a meeting, states the person “*must*” “*Be a citizen of Jasper County or have a child in the Jasper County public schools.*”

### **C. Findings and Recommendations - JCSB and JCSD Legal Representation**

**Finding Sec. VIII – 1:** The JCSB lacked adequate oversight and basic contract management of the employment contract with Dr. Anderson. The SIG identified numerous instances where Dr. Anderson potentially violated terms of her employment contract with the district. [JCSB policy AR BDG-R](#) which clearly states the interest of the board is controlling, “*The attorney will be the chief legal advisor and representative of the board and will serve at the will of the board, reporting directly to the board.*” “*In the event of a dispute between the board and the superintendent, the attorney represents the interests of the board.*”

**Recommendation Sec. VIII – 1:** The SIG recommends that the JCSB enforce contract provisions and hold their superintendents accountable for the requirements therein.

<sup>12</sup> See generally, [Pinckney v. Peeler](#), 434 S.C. 272, 298, 862 S.E.2d 906, 920 (2021): “*The 113th General Assembly—like all legislatures—had no authority to restrict the power of future legislatures to act by majority vote. We sever the unconstitutional requirement of a supermajority vote to amend or repeal section 10-1-165 from the remainder of the Heritage Act.*” [Pinckney v. Peeler](#), 434 S.C. 272, 298, 862 S.E.2d 906, 920 (2021).

<sup>13</sup> See also, [1998 ACT 476](#): “*Each trustee must be a resident elector of the single member district from which the trustee is elected...*”

<sup>14</sup> [JCSB policy BDE](#) states: “Dr. Anderson will serve as an ex-officio member of all special committees.”

**Finding Sec. VIII – 2:** The employment contract with Dr. Anderson provided for a “supermajority” vote of “six” JCSB members to terminate the contract with Dr. Anderson. SIG identified this clause, seemingly approved by the JCSB and the JCSD/JCSB counsel, to be high-risk for abuse. Furthermore, the clause conflicts with South Carolina law that deemed a “supermajority” as unconstitutional. (See footnote #11).

**Recommendation Sec. VIII – 2:** The SIG recommends that the JCSB consider seeking a legal opinion as to whether this clause (or possibly the entire contract) was void *ab initio* and whether or how the contract’s savings clause operates.

**Finding Sec. VIII – 3:** The SIG identified language in the “residency clause” of Dr. Anderson’s employment contract that conflicted with SC Code of Laws, §59-15-10, that established the superintendent as an “*ex officio*” member of the JCSB. The SIG determined Dr. Anderson was not a resident of the JCSD while the contract was in effect – violation of the residency clause of her employment contract with the JCSB.

**Recommendation Sec. VIII – 3:** The SIG recommends that the JCSB seek a formal legal opinion as to whether a non-resident of the JCSD can legally serve as superintendent as well as an “*ex officio*” member of the board and whether non-residency negatively impacts any actions that have already occurred.

## **IX. Other Observations**

### **A. Campaign Finance – State Ethics Act violation**

The SC Ethics Commission public [database](#) reported a “\$2,000.00” contribution for a candidate to the Jasper County School Board, described as “Legal Fees.” The SIG observed that per [SC Code of Laws, §8-13-1314\(A\)\(1\)\(c\)](#) the limit was \$1,000.

| Date ↓    | Report Type                              | Paid By           | Amount     | Income Type             | Election Cycle     | Description |
|-----------|------------------------------------------|-------------------|------------|-------------------------|--------------------|-------------|
| 1/22/2023 | Pre-Election<br>(General) Report<br>2023 | Rechel M Anderson | \$2,000.00 | Individual Contribution | General - 3/7/2023 | Legal Fees  |

The SIG observed the personal financial records of Dr. Anderson indicated that the amount was not \$2,000, but actually \$2,500.00, made on or about 11/21/2022 [authorized on 11/18/2022 and a posting date of 11/21/2022] via an online card type transaction.

### **B. Fraudulent residential loan application**

The SIG observed in the records produced by Dr. Anderson’s annuity provider (paid for by SC district(s)) that on at least two (2) occasions, on or about 8/21/24 and 8/23/24, Dr. Anderson may have provided false statements to wit: Dr. Anderson sought and received \$50,000 under the guise of “Residential Loan” and additionally sought and received \$30,000 under the guise of “hardship distribution” (the purported hardship being “My purchase of a principal residence (not for payment on existing mortgage)). The SIG observed that both of these transactions were related to a property address in Darlington, SC. The Darlington property is the location of the E.G.M., LLC licensed by SCDSS as a group home. The SIG reviewed the SCDSS records and confirmed with SCDSS that Dr. Anderson did not (and could not as currently licensed) reside at the property address used for the annuity transactions.

### **C. Potential false statement in a mortgage application**

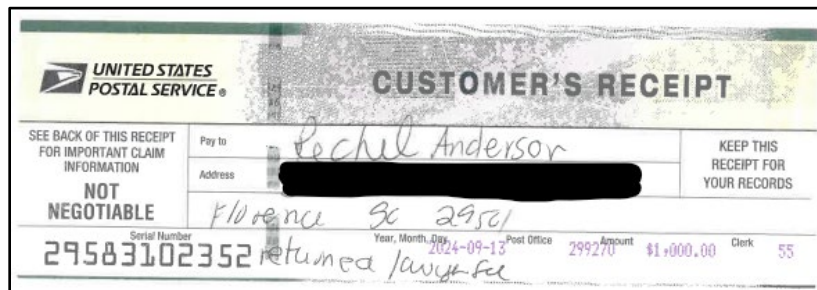
The SIG observed publicly available records at the Darlington Clerk of Court/ROD, e.g. deed [book 1116 page 3379](#) displayed a document Dr. Anderson executed on “9/23/2024.” Pages 8-9 of the mortgage document states

that Dr. Anderson...“must occupy, establish, and use the Property as Borrower’s principal residence within 60 days after the execution of this Security Instrument and must continue to occupy the Property as Borrower’s principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent will not be unreasonably withheld, or unless extenuating circumstances exist that are beyond Borrower’s control.” This is a potential false statement in a mortgage application in violation of S Code of Laws, §16-13-30 and/or 18 U.S.C. § 1014. This Darlington property is the location of the E.G.M., LLC licensed by SCDSS as a residential group care facility. The SIG reviewed the SCDSS records and confirmed with SCDSS that Dr. Anderson did not, and could not as currently licensed, reside at the property address used for this mortgage.

#### **D. JCSB Policy BCB – Board Member Conflict of Interest**

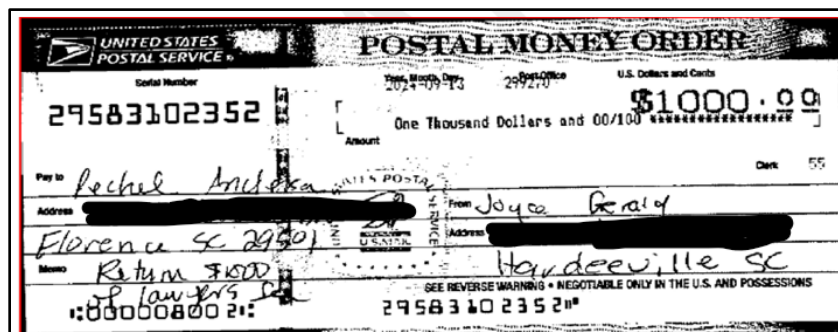
JCSB Policy BCB explains: “Board members have a legal and ethical responsibility to avoid not only these conflicts of interest, but also the appearance of conflicts of interest. Board members are required to disclose any potential conflict of interest to the board. A board member with a personal or private interest in a matter proposed or pending before the board will disclose such interest to the board, will not deliberate on the matter, will not vote on the matter, and will not attempt to influence other members of the board regarding the matter.”

The SIG observed records made available from the South Carolina State Ethics Commission (SEC). Per the SEC records, the JCSB chair issued United States Postal Service (USPS) Postal Money Order 29583102352, dated 9/13/24 in the amount of \$1,000.00, a snippet of the “CUSTOMER’S RECEIPT” is pasted below:



*The SIG notes, once again, this address is not within the JCSD.*

The United States Postal Inspection Service (USPIS) informed the SIG that the Postal Money Order [29583102352], pasted below, was purchased at the Hardeeville, SC Post Office location on 9/13/24 at 9:49:42AM when \$1,320 was tendered and \$14.25 was received in change. The remaining funds were used for the fee of \$3.40.<sup>15</sup>



The SIG observed that this is during the time period that the JCSB was formally reconsidering Dr. Anderson’s role as JCSD superintendent. For example, during the [October 25, 2024 JCSB Board meeting](#), following

<sup>15</sup> The transaction also included an additional Postal Money Order [serial # 29583102363] purchased at the same time for \$300 with a \$2.35 fee – the records reviewed by the SIG indicate that the \$300 was for a penalty payment to the SEC.

executive session, the JCSB voted to invoke clause 11(d) of the JCSB/Superintendent contract [01:43:00 – 01:44:21]. *See also*, [Minutes of Called Board Meeting October 25, 2024](#):

|                                                                                                                                                                                                                                                                                                                        |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Joyce Gerald moved, and Shalonda Toomer seconded the motion that the records and notice of intent be prepared in consultation with legal counsel and provided to the superintendent consistent with paragraph with of 11D of the Superintendent's Contract -Discharge with Cause. The motion passed unanimously (7:0). | ACTION ITEMS |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|

The SIG observed that there was no identifiable disclosure that the JCSB member had recently paid the superintendent \$1,000 in an attempt to resolve certain ethics violations. The SIG observed there was no discussion of potential recusal by the JCSB member in light of the above. The SIG observed that the JCSB member deliberated on the matter, voted on the matter, and ultimately signed off (as JCSB chair) on substantial payments to Dr. Anderson.

The SIG's review of certain USPIS records reflected that the above Postal Money Order Serial Number was "cashed" on 3/10/25. Nine (9) days later, Dr. Anderson executed the settlement agreement for approximately \$361,566; the JCSB chair (on behalf of the JCSB) signature was undated. This timeframe is within the "21 days to review this Settlement Agreement" afforded in the Settlement Agreement, see, §13.

#### **E. Settlement Agreement**

The SIG observed the [settlement agreement](#) signed by the JCSB chair and Dr. Anderson. Paragraph 7 states:

|                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. Dr. Anderson and the Jasper County School District Board of Education members, individually and collectively, mutually agree not to make disparaging comments publicly about one another, or the District. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The SIG notes that it is not clear whether this clause is meant to also include prior JCSB members. The SIG concludes that this clause, taken at face value, would preclude any party from testifying at a public trial as a witness, or as a victim – if one were to occur - regarding allegations of wrongdoing.

The SIG has identified this clause as high risk for abuse – public officials should be encouraged to, in good-faith, reveal wrongdoing to the public, fostering justice and avoid creating quiet corridors where shameful conduct festers in silence.

#### **F. NicNac's Food Service to JCSD**

Mindful of the JCSD's ongoing effort to resolve their past due financial reporting obligations to the SCDE, the SIG obtained and reviewed records regarding [invoices from NicNac's](#), a JCSD vendor that provided prepared food for consumption at JCSD facilities/events.

The SIG reviewed 85 NicNac's invoices provided by JCSD that totaled \$99,901.63, with dates from 1/11/21 through 6/10/24. The SIG identified discrepancies in the total of the invoices provided by the JCSD versus the fiscal records of the JCSD which totaled \$111,904.58, e.g. \$12,002.95 greater. A review of the JCSD "Expenditure Summary Reports" for payments made to NicNac's proprietor, in which JCSD failed to provide the SIG with invoices, reflected functions such as: "Office of Superintendent" \$9,977.95, "Improvement of Instruction" \$375, and "Staff Services" \$1,650.

Prepared food sold in South Carolina is generally subject to sales tax, see S.C. Code § 12-36-2120(75); [S.C. Code Ann. Regs. 117-337.2](#). NicNac's is not a non-profit, therefore the exemption afforded in SC Code of Laws, §12-36-2120(10) cannot apply, and that exemption is only for food for students – not teachers,

administrators, or Board members. The SIG observed that the NicNac's invoices provided by the JCSD reflected an inconsistent calculation of sales tax – often times none.

The SIG was unable to locate NicNac's on the South Carolina Department of Agriculture's (SCDA) [SC Food Grades database](#). The SCDA advised the SIG that a "Notice of Violation," dated 6/6/25, was issued to NicNac's proprietor(s) for operating a food establishment without a valid permit issued by SCDA:

S.C. Regulation 61-25, 1-201.10(A)(106) defines a "Retail Food Establishment" as any operation that prepares, processes, packages, serves or otherwise provides food for human consumption, either on or off the premises, regardless of whether there is a charge for the food. This definition includes mobile food establishments (i.e. mobile food units, food truck, pushcarts). As provided in S.C. Regulation 61-25, 8-301.11(A), "No person shall operate a retail food establishment without a valid permit issued by the Department."

Violations of S.C. Regulation 61-25, including the operation of a retail food establishment without a valid Department-issued permit, are punishable under S.C. Code Section 44-1-150 by either (A) fines not exceeding \$200 or imprisonment not exceeding 30 days; or (B) civil penalties of up to \$1,000 per day per violation.

Following a review of Department records, it was determined a retail food establishment permit has not been issued to a facility at [REDACTED] Road in Hardeeville. Continued operation as a retail food establishment without a valid Department-issued permit will be considered a violation of S.C. Code Ann. Regs. 61-25 and may be referred to the Department's Enforcement Section for enforcement action, including, but not limited to, civil penalties and/or criminal prosecution as described above.

[S.C. Code Ann. Regs. 61-25, 1-102.10](#) explains that "[t]he purpose of this Regulation is to safeguard public health and provide to consumers food that is safe, unadulterated, and honestly presented." The SIG identified this as extreme risk due to the safety aspect of SC public-school occupants potentially being served (for the records made available to the SIG) at least \$111,904.58 of unpermitted food.

#### **G. Findings and Recommendations**

**Finding Sec. IX – 1:** The SIG identified possible fraudulent activity and violations of campaign finance and State Ethics Act laws when Dr. Anderson paid \$2,500 to a political campaign.

**Recommendation Sec. IX – 1:** The SIG shall refer this matter to the appropriate authorities pursuant to SC Code of Laws, §1-6-40(B) as it relates to the potential applicability of [SC Code of Laws, §8-13-1520](#).

**Finding Sec. IX – 2:** The SIG identified possible fraudulent activity when Dr. Anderson submitted a residential loan application and hardship withdrawal to her annuity provider (an insurance company) in the amounts of \$50,000 and \$30,000, respectively, with the knowledge the funds were being utilized for a personal business venture and not for her principal residence.

**Recommendation Sec. IX – 2:** The SIG shall refer this matter to the appropriate authorities pursuant to SC Code of Laws, §1-6-40(B) as it relates to the potential insurance fraud in violation of SC Code of Laws, §38-55-520.

**Finding Sec. IX – 3:** The SIG identified possible fraudulent activity when Dr. Anderson executed a mortgage loan document that was filed with the Register of Deeds for Darlington County, SC, as her principal residence when in fact Dr. Anderson's principal residence is in Florence County. The mortgage document was utilized for the E.G.M., LLC residential group care home which Dr. Anderson operated as a for-profit business.

**Recommendation Sec. IX – 3:** The SIG shall refer this matter to the appropriate authorities pursuant to SC Code of Laws, §1-6-40(B) as it relates to the potential false statement on a mortgage document in violation of 18 U.S.C. 1014.

**Finding Sec. IX – 4:** The SIG has identified a personal financial transaction that is objectively inconsistent with [JCSB Policy BCB](#).

**Recommendation Sec. IX – 4:** The SIG recommends that the JCSB investigate further whether board policy was followed and what effect(s) may exist as to the actions taken on behalf of the board when a conflict of interest occurred.

**Finding Sec. IX – 5:** The SIG has identified that clause seven of the settlement agreement signed by the JCSB chair and Dr. Anderson as high risk for abuse – public officials should be encouraged to, in good-faith, reveal wrongdoing to the public, fostering justice and avoid creating quiet corridors where shameful conduct festers in silence.

**Recommendation Sec. IX – 5:** The SIG recommends that the JCSB actively report good-faith allegations of wrongdoing and avoid restrictions that require otherwise.

**Finding Sec. IX – 6:** The SIG identified a JCSD vendor with inconsistent records; a vendor that the SCDA identified as operating a food establishment without a valid permit. The SIG identified this as waste in addition to the public safety aspect of the JCSD providing unpermitted food.

**Recommendation Sec. IX – 6a:** The SIG recommends that the JCSD review their procedures as to whether their procurement policies were appropriately applied that allowed repeated use of this particular vendor was proper.

**Recommendation Sec. IX – 6b:** The SIG recommends that the JCSD update their policies to verify the license/permit status of vendors prior to engagement.

**Recommendation Sec. IX – 6c:** The SIG recommends that the JCSD demand a full refund of all payments in the amount of \$111,904.58 that made to this vendor if the goods/services provided were done so illegally, e.g., without the requisite permit(s) and/or inspection(s).

**Finding Sec. IX – 7:** The SIG observed that the NicNac's invoices provided by the JCSD reflected an inconsistent calculation of sales tax.

**Recommendation Sec. IX – 7:** The SIG will refer the invoices and financial information to SCDOR and recommend they analyze the information to ensure sales tax was appropriately charged and timely remitted.

## **X. Conclusion**

The purpose of this report is to provide a road map for the JCSD leadership and the JCSB to improve in its delivery of quality education to its students in a unified effort. This investigation focused on the district's waste of public funds under Dr. Anderson's leadership.

The SIG identified possible fraudulent and otherwise criminal activity during the course of this investigation.

The SIG's report is not intended to address every individual complaint or issue conveyed to the SIG. The SIG was mindful of the precarious financial position the JCSD was in due to the failures of the superintendent and/or the failure(s) by the JCSB to properly manage their one subordinate; accordingly the SIG limited its investigation in an effort to allow the JCSD to fulfill the otherwise deficient financial reporting obligations.

The SIG extends its appreciation to State Superintendent of Education, Ellen E. Weaver, South Carolina Department of Education staff, JCSB and JCSD staff for their cooperation and intentionality of seeking solutions to the issues identified by the SIG. The SIG also extends its appreciation to current and former teachers and administrators, and to the parents and constituents in the JCSD for the candor, courage, and valuable input provided to the SIG during this investigation. In addition, the SIG is appreciative of the collaboration with the South Carolina Department of Social Services, and persons who initiated confidential contact with the SIG.

## **Compilation of Findings and Recommendations**

### **Section III: Findings and Recommendations – Fiscal Mismanagement and Recordkeeping**

**Finding Sec. III – 1:** The SIG determined the JCSD, under the leadership of superintendent Dr. Rechel M. Anderson, has not conducted a procurement audit since the issuance of the OAS Procurement Audit Report in 2021 for FY 2018-19. This audit contained significant deficiencies and failure to follow the district's own procurement policies and regulations. The SIG further determined the district did not conduct a subsequent procurement audit that demonstrated the audit findings were corrected.

**Recommendation Sec. III – 1:** The SIG recommends that JCSD engage with the SCDE's OAS, or a state approved accounting firm, to have a procurement audit completed for FYs 2019-20 through 2025.

**Finding Sec. III – 2:** The SIG determined that the former CFO ended her tenure in September 2022 for the JCSD. Consequently, when Dr. Anderson sought to fill the CFO vacancy the decision was made to fill the CFO vacancy on a long-term interim basis with an individual whose background and experience was in information technology, not financial management. Since that time, while under the leadership of Dr. Anderson, the JCSD has been delinquent in the submission of annual audits required by to the SCDE for FYs 2021-22, 2022-23 and 2023-24 pursuant to SC Code of Laws, §59-17-100. This resulted in the SCDE's placement of the JCSD on Fiscal Watch, Fiscal Caution and Fiscal Emergency pursuant to [SC Code of Laws, §59-20-90 \(C\)\(1\)\(a\)\(ii\)](#). Presently, the SCDE is providing financial services oversight to the JCSD while it is under Fiscal Emergency.

**Recommendation Sec. III – 2:** The SIG recommends that the JCSD identify and fill the CFO position on a permanent basis with an experienced financial manager.

**Finding Sec. III – 3:** The SIG identified questionable payments made to select JCSD staff that included bonuses and/or dual employment payments. These transactions were independently identified by SCDE staff providing financial services oversight to the district while it is under Fiscal Emergency.

**Recommendation Sec. III – 3:** The SIG recommends that SCDE conduct a thorough review of these questionable transactions to determine the necessity behind the payments.

### **Section IV: Findings and Recommendations – Conflicts of Interest and Possible Violations of the State Ethics Act**

**Finding Sec. IV – 1:** The SIG identified numerous examples of conflicts of interest and fiduciary roles based on the employee/employer relationship between Dr. Anderson and Cognia, a state-approved vendor. Dr. Anderson maintained an employee/employer relationship with Cognia as an accreditation reviewer for the period of 2016 - 2024.

For example, Dr. Anderson's 2023 SEI report falsely attributed 100% of Dr. Anderson's total 2022 income (\$205,713) as coming from her employment as the JCSD superintendent. The SIG determined that Dr. Anderson failed to disclose that \$14,718 of the \$205,713 came from her income received from Cognia identified in a separate Cognia W-2 statement [EIN 20-8613765]. In addition, Dr. Anderson's 2023 SEI report did not report any income under the subheading, "*Income from Contractors Associated with Your Governmental Entity.*" Furthermore, no disclosure of income from Cognia was reported on Dr. Anderson's Statements of Economic Interest filings for 2017 – 2024. This is a potential violation of the State Ethics Act, SC Code of Laws, §8-13-700(A).

**Recommendation Sec. IV – 1:** The SIG, pursuant to SC Code of Laws, §1-6-40(B), shall refer the failure to the appropriate state law enforcement agency and prosecuting authority as a potential violation of the State Ethics Act, SC Code of Laws, §8-13-700(A).

**Finding Sec. IV – 2:** The SIG determined that the employee/employer relationship between Dr. Anderson and Cognia tainted the accreditation process for the JCSD in that Dr. Anderson maintained competing fiduciary duties to both the JCSD and Cognia, its accreditation entity. The JCSD had two options to select the entity that provided its accreditation: Option 1: South Carolina Department of Education, and Option 2: Cognia.

**Recommendation Sec. IV – 2a:** The SIG recommends that the South Carolina Department of Education review the appropriateness of a public school district, whose superintendent or other senior officials have a contractor/employee relationship with Cognia, either personally or through a business, such as a limited liability corporation, selects Cognia as its accreditation entity.

**Recommendation Sec. IV – 2b:** The SIG recommends that the South Carolina Department of Education consider requiring public school districts select “Option 1” for accreditation when the district’s superintendent or senior officials are a contractor/employee of Cognia in order to avoid the appearance of or an actual conflict of interest in the accreditation process.

**Recommendation Sec. IV – 2c:** The SIG recommends that the JCSB seek legal advice as to whether Dr. Anderson breached her employment contract with the district by having an employee/employer relationship with a state-approved vendor [Cognia] – or if the contract was ever valid to begin with. (See also, S.C. Code Ann. § 8-11-30, § 8-13-790, etc.)

## **Section V: Findings and Recommendations – Unapproved Business Ventures of Dr. Anderson**

**Finding Sec. V – 1:** The *Certification and Responsibilities of [Dr. Anderson]* section of the employment contract between Dr. Anderson and the JCSB stated in part, “[Dr. Anderson] agrees to devote her time, skill, labor, and attention to said employment during the term of this contract, provided, however, that [Dr. Anderson] may undertake various professional duties and obligations, including writing, lecturing, and speaking engagements so long as those activities do not interfere with his [sic] duties as Superintendent and have been approved by the Board Chairperson.” [SIG emphasis]

Interviews conducted by the SIG determined that Dr. Anderson utilized JCSD staff and resources to assist her in the SCDSS application for R.E.A.L, as well as with the writing of her book, “*Professional Walk: An Educator's Perspective*.” The SIG determined that Dr. Anderson engaged in a number of unauthorized and/or undisclosed engagements in violation of her contract with JCSB.

**Recommendation Sec. V – 1a:** The JCSD should consider developing policies whereby all full-time employees execute an annual attestation certifying their compliance with the district’s outside employment policy (if any). Submission of this attestation would provide the JCSD/JCSB with affirmative documentation to pursue disciplinary action in the event of a violation. In the event an employee is discovered to have violated the terms of the district’s outside employment policy then the JCSD would have justification to recover salaries paid, e.g. receiving money by false pretenses, see also SC Code of Laws, §16-13-240(1).

A possible model for such a policy is promulgated by the University of South Carolina via “[Policy HR 1.30: Outside Employment](#)”. Procedure “B” on page 2 of the policy explains the affirmative attestation process via “the University’s central reporting systems,” and the annual execution is demonstrated below:

...professionalactivity.provost.sc.edu
UNIVERSITY OF SOUTH CAROLINA
No financial interests or outside activities.
Hide Answers
1. Have you engaged in outside employment or outside professional activities during the past 12 months or have plans to in the next 12 months?
No
2. Do you or any of your family members have any outside financial interests that are related to your area of professional expertise and/or your institutional responsibilities?
No
3. Do you or any of your family members have a role with an entity that conducts business with USC?
No
4. Do you have a personal or family relationship that could affect or appear to affect your University duties (teaching, research, administrative decisions, purchasing, hiring, etc.)?
No
5. Are you involved in research sponsored by, or plan to submit proposals to a federal funding agency, including but not limited to the National Science Foundation (NSF), National Institutes of Health (NIH), NASA, or Department of Energy (DOE)?
No
6. Have you engaged in outside activities that involve a foreign organization(s) in the past 12 months or have plans to do so in the next 12 months, including teaching, conducting research, collaborations or accepting any type of support from a foreign organization(s)?
No

**Recommendation Sec. V – 1b:** The SIG recommends that the JCSB engage with counsel to update the JCSB/Superintendent contract to include the above annual attestation.

**Recommendation Sec. V – 1c:** The SCDE and the South Carolina State Board of Education should consider developing policies and/or regulations whereby all South Carolina public school superintendent contracts include the above annual attestation.

## **Section VI: Findings and Recommendations – Failure to reside within the JCSD**

**Finding Sec. VI – 1a:** The SIG identified possible criminal activity with the fraudulent submission of a forged residential lease with a forged notary attestation in support of Dr. Anderson’s claim of residing within the JCSD boundaries as required by the residency clause of her employment contract with the board. The SCDE confirmed to the SIG that since 5:05 p.m. on 1/8/24 (the time/date the forged lease was presented to the JCSB by Dr. Anderson) the JCSD/JCSB paid Dr. Anderson at least \$661,270.02 plus \$22,597.88 in future amount(s) due. The SIG identified these payments as taxpayer funds received by Dr. Anderson from the JCSD as a result of the forgery.

**Recommendation Sec. VI – 1a:** The JCSD/JCSB should consider seeking legal advice to explore any and all remedies available at law or equity, to recover damages incurred due to the legal effects of the forged lease from the party/parties involved.

**Recommendation Sec. VI – 1b:** Based on the determination that possible criminal and fraudulent activity occurred in the submission of a forged residential lease agreement the SIG, pursuant to SC Code of Laws, §1-6-40(B), shall refer this matter to the appropriate law enforcement agency for further investigation.

## **Section VII: Findings and Recommendations – JCSD Internal Investigation**

**Finding Sec. VII – 1:** The SIG determined that the JCSB received a professional report that concluded it would be appropriate for the JCSB to refer certain matters related to Dr. Anderson to SLED for further review. The Haynsworth Sinkler Boyd P.A. (HSB) report concluded, the JCSB “*has a basis to terminate Dr. Anderson’s Employment Agreement for cause should the Board decide to take any action.*”

The JCSB failed to refer the report that set forth possible criminal activity occurring in the JCSD. This is a failure in leadership and a failure to uphold the oath of office taken a JCSB member found in Article VI, Section V of the South Carolina Constitution that states:

*"I do solemnly swear (or affirm) that I am duly qualified, according to the Constitution of this State, to exercise the duties of the office to which I have been elected, (or appointed), and that I will, to the best of my ability, discharge the duties thereof, and preserve, protect, and defend the Constitution of this State and of the United States. So help me God."*

The SIG further determined that the JCSB's failure to forward the report to the appropriate investigative bodies amounted to waste and potentially exposed the JCSD (or its agents) to claims of obstruction by not reporting suspected criminal act(s) to law enforcement. "[C]ommon-law obstruction of justice is conduct that "prevents, obstructs, impedes or hinders the administration of justice." Misconduct in office occurs when persons in public office fail to properly and faithfully discharge a duty imposed by law." State v. Lyles-Gray, 328 S.C. 458 (Ct. App. 1997) (internal citations omitted).

**Recommendation Sec. VII – 1:** The SIG shall refer the HSB report to SLED for further review upon conclusion of its investigation into the JCSD.

### **Section VIII: Findings and Recommendations – JCSB and JCSD Legal Representation**

**Finding Sec. VIII – 1:** The JCSB lacked adequate oversight and basic contract management of the employment contract with Dr. Anderson. The SIG identified numerous instances where Dr. Anderson potentially violated terms of her employment contract with the district. [JCSB policy AR BDG-R](#) which clearly states the interest of the board is controlling, *"The attorney will be the chief legal advisor and representative of the board and will serve at the will of the board, reporting directly to the board."* *"In the event of a dispute between the board and the superintendent, the attorney represents the interests of the board."*

**Recommendation Sec. VIII – 1:** The SIG recommends that the JCSB enforce contract provisions and hold their superintendents accountable for the requirements therein.

**Finding Sec. VIII – 2:** The employment contract with Dr. Anderson provided for a "supermajority" vote of "six" JCSB members to terminate the contract with Dr. Anderson. SIG identified this clause, seemingly approved by the JCSB and the JCSD/JCSB counsel, to be high-risk for abuse. Furthermore, the clause conflicts with South Carolina law that deemed a "supermajority" as unconstitutional. (See footnote #11).

**Recommendation Sec. VIII – 2:** The SIG recommends that the JCSB consider seeking a legal opinion as to whether this clause (or possibly the entire contract) was void *ab initio* and whether or how the contract's savings clause operates.

**Finding Sec. VIII – 3:** The SIG identified language in the "residency clause" of Dr. Anderson's employment contract that conflicted with SC Code of Laws, §59-15-10, that established the superintendent as an "*ex officio*" member of the JCSB. The SIG determined Dr. Anderson was not a resident of the JCSD – violation of the residency clause of her employment contract with the JCSB.

**Recommendation Sec. VIII – 3:** The SIG recommends that the JCSB seek a formal legal opinion as to whether a non-resident of the JCSD can legally serve as superintendent as well as an "*ex officio*" member of the board and whether non-residency negatively impacts any actions that have already occurred.

### **Section IX: Findings and Recommendations – Other Observations**

**Finding Sec. IX – 1:** The SIG identified possible fraudulent activity and violations of campaign finance and State Ethics Act laws when Dr. Anderson paid \$2,500 to a political campaign.

**Recommendation Sec. IX – 1:** The SIG shall refer this matter to the appropriate authorities pursuant to SC Code of Laws, §1-6-40(B) as it relates to the potential applicability of [SC Code of Laws, §8-13-1520](#).

**Finding Sec. IX – 2:** The SIG identified possible fraudulent activity when Dr. Anderson submitted a residential loan application and hardship withdrawal to her annuity provider (an insurance company) in the amounts of \$50,000 and \$30,000, respectively, with the knowledge the funds were being utilized for a personal business venture and not for her principal residence.

**Recommendation Sec. IX – 2:** The SIG shall refer this matter to the appropriate authorities pursuant to SC Code of Laws, §1-6-40(B) as it relates to the potential insurance fraud in violation of SC Code of Laws, §38-55-520.

**Finding Sec. IX – 3:** The SIG identified possible fraudulent activity when Dr. Anderson executed a mortgage loan document that was filed with the Register of Deeds for Darlington County, SC, as her principal residence when in fact Dr. Anderson’s principal residence is in Florence County. The mortgage document was utilized for the E.G.M., LLC residential group care home which Dr. Anderson operated as a for-profit business.

**Recommendation Sec. IX – 3:** The SIG shall refer this matter to the appropriate authorities pursuant to SC Code of Laws, §1-6-40(B) as it relates to the potential false statement on a mortgage document in violation of 18 U.S.C. 1014.

**Finding Sec. IX – 4:** The SIG has identified a personal financial transaction that is objectively inconsistent with [JCSB Policy BCB](#).

**Recommendation Sec. IX – 4:** The SIG recommends that the JCSB investigate further whether Board policy was followed and what effect(s) may exist as to the actions taken on behalf of the Board when a conflict of interest occurred.

**Finding Sec. IX – 5:** The SIG has identified that clause seven of the settlement agreement signed by the JCSB chair and Dr. Anderson as high risk for abuse – public officials should be encouraged to, in good-faith, reveal wrongdoing to the public, fostering justice and avoid creating quiet corridors where shameful conduct festers in silence.

**Recommendation Sec. IX – 5:** The SIG recommends that the JCSB actively report good-faith allegations of wrongdoing and avoid restrictions that require otherwise.

**Finding Sec. IX – 6:** The SIG identified a JCSD vendor with inconsistent records; a vendor that the SCDA identified as operating a food establishment without a valid permit. The SIG identified this as waste in addition to the public safety aspect of the JCSD providing unpermitted food.

**Recommendation Sec. IX – 6a:** The SIG recommends that the JCSD review their procedures as to whether their procurement policies were appropriately applied that allowed repeated use of this vendor was proper.

**Recommendation Sec. IX – 6b:** The SIG recommends that the JCSD update their policies to verify the license/permit status of vendors prior to engagement.

**Recommendation Sec. IX – 6c:** The SIG recommends that the JCSD demand a full refund of all payments (the SIG identified at least \$111,904.58) made to this vendor if the goods/services provided were done so illegally, e.g., without the requisite permit(s) and/or inspection(s).

**Finding Sec. IX – 7:** The SIG observed that the NicNac's invoices provided by the JCSD reflected an inconsistent calculation of sales tax.

**Recommendation Sec. IX – 7:** The SIG shall refer the invoices and financial information to SCDOR and recommend they analyze the information to ensure sales tax was appropriately charged and timely remitted.