

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

COMMITTEES:
BANKING AND INSURANCE
GENERAL
JUDICIARY
LABOR, COMMERCE AND INDUSTRY
MEDICAL AFFAIRS



COLUMBIA OFFICE:
602 GRESSETTE SENATE BLDG.
POST OFFICE BOX 142
COLUMBIA, SC 29202
TEL: (803) 212-6008
FAX: (803) 212-6299
EMAIL: LEEBRIGHT@SCSENATE.GOV

HOME ADDRESS:
POST OFFICE BOX 371
ROEBUCK, SC 29376

March 4, 2015

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

Dear Mr. Powell,

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Lee Bright".

Lee Bright
Senator of Spartanburg
Senate District 12

LB:rw

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

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

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

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

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

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

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

Lee Bief

Vincent Shku

Kevin Bryant

Steve Massey

~~_____~~
Wright B. Brown

Kathleen O'Keefe

Donell [Signature]

[Signature]

Tamara

Patricia Reese

[Signature]

Paul R. [Signature]

[Signature]

[Signature]

Mike Fair

Shane
Shane

J. Tracy Herliem

Ken Jones

Kapalle

Bill

Hyde

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