COUNTY OF ANDERSON

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS CASE NO. 2009- CP- 04- 00491

Erick Bradshaw, Sr., Doreen Mont epara and Michael Mont epara, Plaintiffs,

VS.

Anderson County, and Edwin E. Moore, individually, Thomas Allen, individually, and Robert E. Waldrep, individually, Def endant s.

## DEPOSITION OF ROBERT CLAYTON DANIEL

DATE TAKEN: March 13, 2009

TI ME BEGAN: 9:00 a.m TIME ENDED: 10:48 a.m

LOCATION: Conference Room

300 North Main Street

Anderson, South Carolina

REPORTED BY: Sheila B. Smith, CVR-CM

Certified Verbatim Reporter

Certificate of Merit

Notary Public for South Carolina

## APPEARANCES:

CANDY KERN-FULLER, ESQUIRE

Upstate Law Group, LLC

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Piedmont, South Carolina 29673

.....On behalf of the Plaintiffs

FRANK S. HOLLEMAN, III, ESQUIRE

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44 East Camperdown Way

P. O. Box 728

Greenville, South Carolina 29602-0728

..... On behalf of the Defendant, Anderson County

ALSO ATTENDING: Edwin E. Moore

Robert E. Waldrep

M chael Montepara

Doreen Montepara

STI PULATIONS: The within deposition was taken pursuant to the South Carolina Rules of Civil Procedure.

NONWAIVER: Examination and reading of the deposition are not waived by the witness and by the parties.

## ROBERT CLAYTON DANIEL

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- 1 ROBERT CLAYTON DANIEL, being duly sworn, testified as
- 2 follows:
- 3 EXAM NATI ON BY MS. KERN-FULLER:
- 4 Q. Mr. Daniel, my name is Candy Kern-Fuller. I'm an
- 5 attorney with the Upstate Law Group in
- 6 Powdersville, South Carolina, and I represent the
- 7 Plaintiffs in this case. This case is Erick
- 8 Bradshaw and the Monteparas versus Anderson
- 9 County and Edwin E. Moore, individually and in his
- 10 capacity as Chair of the Anderson County Council;
- 11 Mr. Allen, individually; and Mr. Waldrep,
- 12 individually. Are you familiar with this
- 13 litigation, sir?
- 14 A. Yes.
- 15 Q. Have you ever had your deposition taken before,
- 16 sir?
- 17 A. No.
- 18 Q. Let me go over a few rules with you. We are in
- the State Court of South Carolina, and depositions
- are governed under Rule 30 of our Rules of Civil
- 21 Procedure, and I'll give you some instructions
- 22 that we're required to give. Mr. Holleman is
- representing the County. Mr. Waldrep is here
- i ndi vi dual I y.
- 25 MS. KERN-FULLER:

- 1 I assume, Mr. Waldrep, your attorney is not going
- to be here today. Are you participating in the
- deposition as a Defendant or as an attorney?
- 4 MR. WALDREP:
- 5 Well, he's not going to be here today.
- 6 MS. KERN-FULLER:
- 7 So you're going to be as an individual?
- 8 MR. WALDREP:
- 9 I'm just here.
- 10 MS. KERN-FULLER:
- 11 So you will not be making objections; is that
- 12 correct?
- 13 MR. WALDREP:
- 14 No.
- 15 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 16 Q. Mr. Holleman represents Anderson County and I'm
- sure if there's appropriate objections, he'll make
- them, but I'll go through what some of the rules
- are with you. First of all, Ms. Smith here is
- 20 taking down everything that you say verbatim so
- it's very important that you answer my questions
- verbally with a verbal answer instead of a shaking
- of your head or an uh-huh or an huh-uh because
- then she has to put whether that's an affirmative
- or a negative. Is that understood?

- 1 A. Yes.
- 2 Q Also, because she is taking everything down and
- 3 there will be a written transcript made, it's
- 4 very important that you let me fully finish the
- 5 question before you begin to answer it even if you
- 6 know where I'm going with the question so that we
- 7 have a clean record. Is that understood?
- 8 A. Yes.
- 9 Q. And I will try to also do the same and let you
- 10 fully answer a question before I ask another. Is
- that all right?
- 12 A. That's great.
- 13 Q. And lastly, if we go on a break -- I don't know
- 14 how long your deposition will take. We're going
- to have issues to discuss. We may have objections
- to discuss. If we do that, because of our Rules
- of Civil Procedure, Mr. Holleman knows this and
- 18 I'll explain it to you, but he's not allowed to
- make speaking objections on the record. So if we
- 20 have something we need to put into the record, we
- 21 may ask you to leave the room. And it has no
- bearing on anything you've done wrong or anything
- of that nature, it's just so that we can make an
- appropriate record without it influencing your
- testimony. Is that understood?

- 1 A. Uh-huh.
- 2 Q. Say yes.
- 3 A. Yes. Yes. I'm sorry.
- 4 Q. And I'm going to ask you this next series of
- 5 questions, and it's not in any way intended to
- offend you, but it's just to make sure for the
- 7 record that we have those questions on the record.
- 8 Are you under the influence of any drugs or
- 9 al cohol t oday?
- 10 A. No.
- 11 Q. Do you have any medical conditions that would
- otherwise influence your ability to give truthful
- testimony in this matter?
- 14 A. No.
- 15 Q. And you are here today pursuant to the subpoena
- t hat was served upon you?
- 17 A. Yes.
- 18 Q. Let's go over some personal information. Could
- 19 you state your full name for the record, please?
- 20 A. Robert Clayton Daniel.
- 21 Q. And is your date of birth August 18, 1938?
- 22 A. That's correct.
- 23 Q. And your Social starts with 249-74?
- 24 A. Yes.
- 25 Q. Where do you reside, sir?

- 1 A. Belton, South Carolina.
- 2 Q. What is your home address?
- 3 A. 253 Mahaffey Street.
- 4 Q. Tell me a little bit about your employment
- 5 history, sir.
- 6 A. I was in the -- worked in the general accounting
- 7 office of Washington, D.C. I was in the Air
- 8 Force, worked for S. D. Leidersdorff, which is now
- 9 Ernst and Young. I worked for Belton Industries,
- 10 Springs MIIs, and Greene and Company.
- 11 Q. And you're a partner with Greene and Company and
- worked for them for about 24 years?
- 13 A. More like 32, yeah.
- 14 Q. What was your capacity in working for them in the
- 15 year of 2008?
- 16 A. I wasn't working for them I retired. Now, I
- 17 worked on a part-time basis.
- 18 Q. You worked on a part-time basis with Greene and
- 19 Company?
- 20 A. Yes, I did.
- 21 Q. Were you still a partner during the calendar year
- of 2008 with Greene and Company?
- 23 A. No.
- 24 Q. And I served you a subpoena, and in that subpoena,
- I asked you to provide me income for 2008. And

- 1 you provided me a pay stub for your current
- employment with Anderson County.
- 3 A. Right.
- 4 Q. But you did not provide me any documentation for
- 5 2008.
- 6 A. I didn't work for Anderson County in 2008.
- 7 Q. And did you work for anyone else during the
- 8 calendar year? Item C said, "Copies of all
- 9 payments received for work performed by you during
- 10 cal endar years 2008-2009. "Did you have --
- 11 A. I thought it pertained to Anderson County. I --
- 12 Q. Tell me what income you received during calendar
- 13 year 2008.
- 14 A. All sources?
- 15 Q. Yes. sir.
- 16 A. Earned some from Greene and Company, interest and
- 17 di vi dends.
- 18 Q. Did you have any other income other than Greene
- and Company for actual work performed?
- 20 A. No.
- 21 Q. When was the last time in 2008 that you worked for
- 22 Greene and Company?
- 23 A. Gosh, I don't know.
- 24 Q. Through the end of the calendar year?
- 25 A. I will come in. If a client wants me to come in,

- 1 I come in and do some work. But as far as work
- going steady, probably April 15th was the last
- 3 time I did any consistent work.
- 4 Q. But you continued to work sporadically throughout
- 5 cal endar year --
- 6 A. If somebody wants me to come in to do something,
- yes, I'll come in and do it.
- 8 Q And that continued throughout the calendar year of
- 9 2008?
- 10 A. Yes, but very limited.
- 11 Q. Have you come in and worked for any clients during
- cal endar year 2009 with Greene and Company?
- 13 A. Yes, I have.
- 14 Q. When was the last time you went in to Greene and
- 15 Company and worked for a client during calendar
- 16 year 2009?
- 17 A. Probably a couple weeks ago.
- 18 Q. And did that client have any connection with
- 19 Anderson County?
- 20 A. No.
- 21 Q. How do you receive payment from Greene and
- Company? Do you receive all of the payment for
- the work you perform for them or do you receive a
- 24 portion?
- 25 A. I receive a portion.

- 1 Q. And are you still in any kind of partnership
- 2 agreement --
- 3 A. No.
- 4 Q -- with Greene and Company?
- 5 A. No.
- 6 Q. If you would, just let me finish the question.
- 7 A. I'm sorry.
- 8 Q I know it's really hard when you know the answer
- 9 to my question.
- 10 A. Okay.
- 11 Q. But if you would, just let me finish.
- 12 A. I'm sorry.
- 13 Q. That's okay. You were at one time a partner with
- 14 Greene and Company; is that correct?
- 15 A. Yes.
- 16 Q. And when did that partnership cease?
- 17 A. June 30, 2007.
- 18 Q. And was your partnership purchased from you? Was
- 19 your interest purchased?
- 20 A. It's in the process of being purchased.
- 21 Q. So you still technically are a partner, they're
- just purchasing it?
- 23 A. No. No, I'm not a partner. I'm no longer a
- 24 partner. They're buying me out, but I'm not a
- part ner.

- 1 Q. Have you entered into a buyout contract with them?
- 2 A. I have a -- not per se. We have a partnership
- 3 agreement which -- which at the time allocated how
- 4 we were to buy each other out.
- 5 Q And is it through that process that you're being
- 6 bought out at this point?
- 7 A. Yes, uh-huh.
- 8 Q Is it a series of payments?
- 9 A. Yes, uh-huh.
- 10 Q. And at the end of that series of payments, do you
- relinquish your right in the partnership?
- 12 A. I don't have any rights in the partnership now
- other than receive the money. I don't vote or do
- 14 anything like that. I have no connection in
- 15 management or anything.
- 16 Q. So the money that you're receiving from Greene and
- 17 Company is only the money through the partnership
- buyout and what you charge when you go to see
- 19 clients?
- 20 A. Right, uh-huh.
- 21 Q. Do you have any interest in any other businesses
- other than Greene and Company?
- 23 A. No.
- 24 Q. Does Daniel Worldwide Tours, Inc. still exist?
- 25 A. Yes, it does.

- 1 Q. Are you still the secretary-treasurer of that
- 2 or gani zat i on?
- 3 A. I'm president of that.
- 4 Q. Do you receive compensation as a result of that?
- 5 A. Well, actually the money for Greene and Company
- 6 goes through that and then back out to me, sort of
- 7 like a P. A. It's -- I work under Daniel and
- 8 Associ at es.
- 9 Q. Daniel and Associates?
- 10 A. Yes, uh-huh.
- 11 Q. Is that a licensed professional association?
- 12 A. That's under the Daniel Worldwide Tours. It's
- part of -- I'm just using that corporation for
- 14 that purpose.
- 15 Q. And I'm trying to get some information just for
- 16 various purposes. One would be jury selection
- 17 purposes ultimately. But Daniel Worldwide Tours,
- 18 Inc. is kind of like a parent organization?
- 19 A. It's just a corporation that I'm running for --
- run money through from Greene and Company.
- 21 Q. So when you receive your payments from Greene and
- Company through your work as a CPA, those payments
- are made payable to Daniel Worldwide Tours, Inc.?
- 24 A. Right.
- 25 Q. And then where does Daniel and Associates, P. A.

- 1 fit into that?
- 2 A. It's -- it's the name that we're operating under.
- In other words, I'm operating Daniel and
- 4 Associates under Daniel Worldwide Tours. I'm
- 5 using that corporate name.
- 6 Q. Who are the checks made payable to when they come
- 7 from Greene and Company for the work that you do
- 8 as a CPA?
- 9 A. Robert C. Daniel.
- 10 Q. They come individually Robert C. Daniel?
- 11 A. They are directly deposited into a bank account of
- 12 Daniel Worldwide Tours, so --
- 13 Q. But the payment comes made payable to Robert C.
- 14 Daniel?
- 15 A. Yes, technically. That's the way they've been
- 16 filling it out, yes.
- 17 Q. That's the payee on the check?
- 18 A. Yes, uh-huh.
- 19 Q. You endorse the back of the check as Robert C.
- 20 Dani el?
- 21 A. No. It's direct deposited into the bank. I don't
- 22 endorse anything.
- 23 Q. It's direct deposited into Daniel Worldwide Tours,
- 24 Inc.?
- 25 A. Yes.

- 1 Q. Who are the other shareholders of Daniel Worldwide
- 2 Tours, Inc.?
- 3 A. Nobody.
- 4 Q. What about Dillard H. Daniel?
- 5 A. That's my father. He's deceased.
- 6 Q. Are there any other members or partners of Daniel
- 7 and Associates, P. A.?
- 8 A. No.
- 9 Q. What about Gladed, G-L-A-D-E-D, a general
- part ner shi p?
- 11 A. That used to be a real estate partnership, but
- it's no longer in existence.
- 13 Q. It bought a lot over in Belton back in 1999?
- 14 A. Back then, it owned a office building for Greene
- and Company over there at that time.
- 16 Q. And does it still own that office building for
- 17 Greene and Company?
- 18 A. No, I don't think so. I don't know. I'm bought
- out of that, so I don't know.
- 20 Q. So they've also bought you out of Gladed?
- 21 A. I'm out of everything. I don't own anything but
- 22 -- and Gladed doesn't exist anymore I don't think.
- 23 Q. Is that the building that was located at 201
- 24 O'Neal Street?
- 25 A. Yes, that's correct.

- 1 Q. Does that building still exist --
- 2 A. Yes.
- 3 Q. -- at 201 O'Neal Street.
- 4 A. It does.
- 5 Q. Does Greene and Company still inhabit that
- 6 building?
- 7 A. Yes, it does.
- 8 Q. You don't know who the actual owner is of that
- 9 property now?
- 10 A. It's one of the partnerships, but I'm not sure
- 11 which one it is. I don't know the name of it.
- 12 Q. What about GreeneCo Properties?
- 13 A. That's probably it. Yeah, that's it.
- 14 Q. Do you still have an ownership interest in
- 15 GreeneCo Properties?
- 16 A. No.
- 17 Q. Was your ownership interest in Gladed and GreenCo
- 18 Properties addressed with your partnership
- agreement with Greene and Company, LLP?
- 20 A. I was bought out separately by that.
- 21 Q. So there was one buyout for Greene and Company
- that's in progress?
- 23 A. Uh-huh.
- 24 Q. There's another buyout for Greene Co Properties
- t hat 's already completed?

- 1 A. That's correct.
- 2 Q. Was there another buyout for Gladed?
- 3 A. Gladed was terminated several years ago.
- 4 Q And so it currently owns no properties?
- 5 A. It owns no property.
- 6 Q. Tell me about your educational history.
- 7 A. Graduate, the University of South Carolina.
- 8 Q And what is your degree in?
- 9 A. Accounting.
- 10 Q. Are you a CPA?
- 11 A. Yes, I am
- 12 Q. When did you become a CPA?
- 13 A. I believe it was 1964.
- 14 Q. Who is Teresa H. Daniel?
- 15 A. Do not know.
- 16 Q. Your company Daniel and Associates, is it an Inc.
- 17 or a P. A. ?
- 18 A. Inc.
- 19 Q. And you have no knowledge as to who Teresa H.
- Daniel at 13 Ebbtide Court in Harbor Island, South
- 21 Carolina is?
- 22 A. Huh-uh.
- 23 Q. Do you have any idea why she would be the
- registered agent of Daniel and Associates, Inc.?
- 25 A. I have no idea.

- 1 Q. But that is the proper legal name of your
- 2 corporation?
- 3 A. Yeah. I sure do not know. Teresa who?
- 4 Q. I'll show you. It's Teresa H. Daniel.
- 5 A. That's a -- that's a different company.
- 6 Q. So the proper legal name --
- 7 A. Yeah.
- 8 Q. -- is not Daniel and Associates, Inc.?
- 9 A. No. No, it's not. It's Daniel Worldwide, doing
- 10 business as Daniel and Associates.
- 11 Q. Daniel and Associates is a --
- 12 A. The Inc. is not a -- is nothing we're connected
- 13 with. Okay, I understand now.
- 14 Q. So that I understand, Daniel and Associates is a
- 15 dba?
- 16 A. Right, uh-huh.
- 17 Q It's not an Inc.?
- 18 A. No.
- 19 Q. It's not a P.A.?
- 20 A. No.
- 21 Q. And you say that Daniel Worldwide Tours is the
- company; is that correct?
- 23 A. Yes.
- 24 Q. Do you know who the registered agent for Daniel
- 25 Worldwide Tours is?

- 1 A. Shoul dn't be anybody.
- 2 Q. There should not be a registered agent?
- 3 A. I guess I am if -- if there is one.
- 4 Q. When did Mr. D. H. Daniel pass?
- 5 A. In 1996.
- 6 Q. So you have not changed him as the registered
- 7 agent of the corporation?
- 8 A. Evidently not.
- 9 Q. You said you received your bachelor's degree from
- the University of South Carolina?
- 11 A. That's correct.
- 12 Q. And you are a Certified Public Accountant?
- 13 A. Yes.
- 14 Q. Are you a member of the AI CPA?
- 15 A. Yes, uh-huh.
- 16 Q. Are you still a member of the Belton Recreation
- 17 Association?
- 18 A. No.
- 19 Q. Are you still a member of the Belton Cemetery
- Foundat i on?
- 21 A. Yes.
- 22 Q. Are you still a member of the Belton Lion's Club?
- 23 A. Yes.
- 24 Q. Have you ever been a member of the Government
- 25 Finance Officers Association?

- 1 A. No.
- 2 Q. Do you have any additional certifications other
- 3 than as a CPA?
- 4 A. No.
- 5 Q. Are you a certified fraud examiner?
- 6 A. No.
- 7 Q. Are you a certified internal auditor?
- 8 A. No.
- 9 Q. Are you familiar with those designations within
- the AI CPA?
- 11 A. Yes.
- 12 Q. Do you know what the requirements are for those
- 13 additional designations?
- 14 A. Roughly, but not specifically, no.
- 15 Q. Are you still on the South Carolina Educational
- 16 Oversight Committee?
- 17 A. No.
- 18 Q. When did you cease being on the South Carolina
- 19 Educational Oversight Committee?
- 20 A. 2007.
- 21 Q. There was a report that came out in July of 2007
- that still showed that you were on there. Do you
- know when in 2007 you ceased that?
- 24 A. Probably at the end of the year. I -- I can't
- r emember.

- 1 Q And was that an appointed position?
- 2 A. Yes, it was.
- 3 Q. Who appointed you to that position?
- 4 A. Ronni e Townsend.
- 5 Q. Were you the business and industry representative
- 6 on that company?
- 7 A. Yes, I was.
- 8 Q. When were you hired by the Anderson County Council
- 9 with regard to the job that you're performing with
- 10 t hem now?
- 11 A. I was informed on the morning of January 7th.
- 12 Q. Who informed you of that?
- 13 A. Mr. Moore.
- 14 Q. Did you have any conversations with Mr. Moore
- prior to the morning of January 7, 2009?
- 16 A. Yes.
- 17 Q. How many conversations did you have with Mr. Moore
- prior to that?
- 19 A. I have no idea.
- 20 Q. Did you have any conversations with anyone other
- than Mr. Moore regarding potential engagement with
- 22 Anderson County?
- 23 A. Yes.
- 24 Q. Who else did you have conversations with?
- 25 A. Probably -- let's see, Mr. Waldrep, Mr. Allen, not

- directly, but as a group anyway.
- 2 Q. When you say not directly, how did you indirectly
- 3 have communications with them?
- 4 A. We have -- there was a meeting in which they asked
- if I would assist them with financial matters and
- 6 I said yes, that I would.
- 7 Q. And who was present at that meeting?
- 8 A. Mr. Moore, Mr. Waldrep, Ms. Wilson, Mr. Dunn, Mr.
- 9 Allen.
- 10 Q. Mr. Waldrep, Ms. Wilson, Mr. Dunn, Mr. Allen. Was
- 11 Mr. Moore there?
- 12 A. Yes.
- 13 Q. Do you recall when that meeting took place?
- 14 A. Late December.
- 15 Q. Did you have any other meetings with them?
- 16 A. Yes.
- 17 Q. When was the next meeting that you had with them?
- 18 A. I had -- was appointed, or anyway I was asked to
- serve on a finance advisory committee and maybe
- 20 met one time in -- in late November and then
- 21 probably one time in early December.
- 22 Q. Who asked you to serve on a finance advisory
- committee?
- 24 A. I'm not -- I can't remember now. It was either
- 25 Mr. Moore or Mr. Waldrep, but I don't remember

- 1 who.
- 2 Q. And what was envisioned with this finance advisory
- 3 committee?
- 4 A. I don't know.
- 5 Q. Did that ever materialize?
- 6 A. No, other than one or two meetings.
- 7 Q. Tell me about those one or two meetings. Where
- 8 were they held?
- 9 A. Mr. Waldrep's office.
- 10 Q. Who was present at the meeting? Who was present
- 11 at the first meeting?
- 12 A. I don't know the gentlemen, about five or six
- 13 retired -- or they looked retired anyway. So I
- 14 assume that they were in the same age bracket as I
- 15 am
- 16 Q. And how old are you, sir?
- 17 A. Sevent y.
- 18 Q. That's not a polite question to ask women, but we
- 19 can ask men.
- 20 A. Yes, I underst and.
- 21 Q. And you said it was five or six retired gentlemen.
- Did you recognize any of the gentlemen --
- 23 A. No.
- 24 Q -- other than Mr. Waldrep?
- 25 A. Huh-uh, no. I think Mr. Moore was there, but --

- 1 and I can't remember who else was there. It's a
- 2 long time ago and I didn't put any significance to
- 3 it at the time.
- 4 Q. And that would have been the one in late November?
- 5 A. Sometime in November, yes.
- 6 Q. What about the next meeting?
- 7 A. Oh, maybe two or three weeks later, same type of
- 8 thing, only there wasn't anybody there except
- 9 maybe three or four people, I think.
- 10 Q. And of those three or four people, who was there
- other than Mr. Waldrep?
- 12 A. I think maybe Mr. Moore was there, maybe Mr. Dunn,
- 13 I think. Mr. Dunn was not at the first one, I
- don't think, so anyway -- but I can't remember.
- 15 Q. And then the one where Mr. Waldrep, Ms. Wilson,
- 16 Mr. Dunn, Mr. Allen, Mr. Moore that occurred, when
- 17 did that one occur?
- 18 A. Sometime Late December.
- 19 Q. After Christmas or before Christmas?
- 20 A. I can't remember.
- 21 Q. Do you recall about how many weeks after the
- second meeting?
- 23 A. A couple, two or three.
- 24 Q. Is it possible it occurred after January 1st?
- 25 A. No.

- 1 Q. And how do you know that?
- 2 A. I just know it wasn't, because it'd been illegal
- 3 if we did it after January 1st.
- 4 Q. I understand that. And --
- 5 A. And there was no meetings in -- with the group
- 6 after that date.
- 7 Q. But you can't recall if it occurred after
- 8 Christ mas?
- 9 A. I think it was before Christmas. I think it was
- the week before Christmas, but I can't be -- I
- 11 can't remember.
- 12 Q. And when was the next meeting that you had with
- any of the Council members?
- 14 A. Late December, and it was with one or two. And at
- that point, we -- anyway, it was late December.
- 16 Q. And who were those one or two?
- 17 A. Mr. Waldrep was one, and I can't remember whether
- 18 Mr. Moore was there or not and there might have
- been other councilman. Ms. Wilson was there, I
- 20 think, for that one.
- 21 Q. And the one you can't remember that was there, it
- 22 was not Ms. Wilson?
- 23 A. Was Ms. Wilson.
- 24 Q. It was Ms. Wilson; okay. And between that meeting
- and when you received your phone call from Mr.

- 1 Moore, how many other conversations did you have
- with any of the Council members?
- 3 A. None that I know of.
- 4 Q. In those meetings in November and the two or
- three in December, was engagement as some sort of
- 6 auditor, CPA, internal auditor, what ever
- 7 di scussed?
- 8 A. Huh-uh.
- 9 Q. When was that first discussed with you?
- 10 A. In the meeting -- well, let me back up. On the
- meeting in December, they asked if I would assist
- them, but as to how I was going to do it was not
- discussed until in January, you know, as exactly
- 14 what it is. They asked if I would help with
- financial things and I said yes, I would.
- 16 Q. And what kind of financial things did they ask you
- to help with?
- 18 A. They didn't describe it then at that point.
- 19 Q. Did they discuss engaging you as a contractor or
- as an employee?
- 21 A. Neither. It didn't come up.
- 22 Q. When was the first time you had a discussion with
- 23 anyone from Anderson County about your engagement
- either as a contractor or as an employee of
- 25 Anderson County?

- 1 A. On January 5th.
- 2 Q. January 5th; okay. Tell me about that discussion.
- 3 A. They just told me to put in a proposal, you know,
- 4 and what my rate would be, which is the letter I
- 5 sent them
- 6 Q. And that's a letter that you produced to me as
- 7 part of your subpoena?
- 8 A. That's correct.
- 9 Q That's the one that you corrected the date from
- 10 June 5th to January 5th?
- 11 A. That's correct.
- 12 Q. I'll just mark that for identification purposes.
- 13 (EXHI BI T NUMBER 1 MARKED; ATTACHED)
- 14 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 15 Q. And Mr. Daniel, I've had this marked as Exhibit 1.
- 16 Is that the letter that you sent them?
- 17 A. That's correct.
- 18 Q. Is that your handwriting at the top correcting it
- from June to January?
- 20 A. Yes, it is.
- 21 Q. And this letter is addressed to Eddie Moore. What
- prompt ed this letter?
- 23 A. Conversations that morning.
- 24 Q. With whom?
- 25 A. Eddie Moore.

- 1 Q. Did you have conversations on the date of January
- 2 5th with anyone other than Eddie Moore?
- 3 A. No.
- 4 Q. Did you have conversations between January 3rd and
- 5 January 5th with anyone other than Eddie Moore?
- 6 A. I don't recall any.
- 7 Q. And in this letter, you state you'd be willing to
- 8 help Anderson County and the Administrator with
- 9 the transition and to conduct an investigation
- into the activities of the previous administration
- that the Council deems necessary?
- 12 A. That's correct.
- 13 Q. Is that your understanding of the scope of your
- empl oyment?
- 15 A. That was my understanding, yeah.
- 16 Q. Is that your understanding of your current scope
- of employment?
- 18 A. Roughly, yes.
- 19 Q. Tell me what you understand the current scope of
- your employment to be.
- 21 A. To investigate financial activities.
- 22 Q. Of the --
- 23 A. Of Anderson County.
- 24 Q -- current or former administration?
- 25 A. Former.

- 1 Q. So your investigation is solely limited to the
- former administration that ended on December 31,
- 3 2008; is that correct?
- 4 A. I may end up in some events that have taken place
- 5 since then. I don't necessarily think I'm limited
- 6 to just that.
- 7 Q. Have you reviewed the resolution that authorized
- 8 your hiring?
- 9 A. No. I have not.
- 10 Q. Have you ever seen the resolution that authorized
- 11 your hiring?
- 12 A. I've seen it just as I'm looking at it now.
- 13 Q. What do you mean?
- 14 A. It's upside down. I've seen somebody refer to it
- 15 upsi de down.
- 16 Q. Well, I'll give you a better copy of it, how's
- 17 t hat ?
- 18 (EXHI BI T NUMBER 2 MARKED; ATTACHED)
- 19 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 20 Q. I'm going to show you what's been marked as
- 21 Exhibit 2, and I'm going to purport to you that
- those are the minutes that were passed by the
- 23 Anderson County Council. I will not make any
- representations as to their accuracy. My
- 25 understanding from those minutes is that you were

- 1 to be hired on a contractual basis. Is that your
- 2 under st andi ng?
- 3 A. Yeah, you're right.
- 4 Q. And as a CPA, what does a contractual basis mean
- for an employee or a non-employee?
- 6 MR. HOLLEMAN:
- 7 I'm sorry; what was the question? I didn't hear
- 8 it.
- 9 MS. KERN-FULLER:
- 10 As a CPA, what is his understanding of the hiring
- on a contractual basis?
- 12 WITNESS ANSWERS:
- 13 A. Contractual means that there is a -- some kind of
- 14 contract, verbal or written.
- 15 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 16 Q. And are they 1099 employees or are they W 2
- 17 empl oyees?
- 18 A. Can be either.
- 19 Q So it's your understanding that a contractual
- 20 basis means you can be a W 2 employee of this
- 21 Count y?
- 22 A. Can be.
- 23 Q. Can be; okay. So what is your title for the
- 24 Count y?
- 25 A. I'm calling myself an investigative accountant is

- 1 what --
- 2 Q. And does that have any specific designation within
- the AICPA requirements?
- 4 A. No, that I know of.
- 5 Q. And is there a reason why you don't call yourself
- 6 a County budget analyst and chief financial
- 7 investigator?
- 8 A. I don't really think that much about titles.
- 9 Titles are unimportant to me, so I don't pay that
- 10 much attention to them
- 11 Q. And you're being paid directly from Anderson
- 12 Count y as an employee?
- 13 A. That's correct.
- 14 Q. And you've produced to me a copy of your pay stub.
- Do you also submit time cards to the County?
- 16 A. Yes, I do.
- 17 Q. Who signs off on your time cards?
- 18 A. I believe Mr. Moore is.
- 19 Q. Who do you report to?
- 20 A. I report to the -- well, I report to whoever wants
- 21 to ask me a question, but primarily to -- I'm
- doing most of my discussions with Mr. Moore and
- 23 Mr. Allen.
- 24 Q. Do you attend committee meetings of the Council?
- 25 A. No.

- 1 Q. Do you make reports directly to the Council?
- 2 A. Only one directly, yes. I mean I will talk about
- them on a day-to-day basis about stuff, but --
- 4 about information and all. But as far as making
- 5 a report, I've only made one written report.
- 6 Q. And is that the written report that you produced
- 7 to Mr. Moore?
- 8 A. Well, I produced it to everybody.
- 9 Q You produced it to all members of Council?
- 10 A. All members of Council.
- 11 Q. Is that the report (indicating) that you're
- talking about?
- 13 A. Yes.
- 14 MS. KERN-FULLER:
- 15 I'd ask that that be marked, please.
- 16 (EXHI BI T NUMBER 3 MARKED; ATTACHED)
- 17 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 18 Q. How did you produce this report to all members of
- 19 Council?
- 20 A. When you say produce to all members, what do you
- 21 mean?
- 22 Q. Well, sir, you said you gave this report to all
- 23 members of Council a minute ago.
- 24 A. Yes.
- 25 Q. How did you do that?

- 1 A. I slipped it under their door of their office.
- 2 Q And each Council member has an office?
- 3 A. Yes.
- 4 Q. You slipped it under the door of every Council
- 5 member?
- 6 A. That's correct.
- 7 Q. And do you have any knowledge as to whether every
- 8 Council member actually received it?
- 9 A. Don't know if they received it, but it was under
- their door.
- 11 Q. And you did not appear at Council and make your
- report to Council in any form or fashion?
- 13 A. No.
- 14 Q. Have you answered questions of Council pertaining
- to your report?
- 16 A. Individually ones that would come in and talk to
- me about it, yes. In that capacity, yes.
- 18 Q. And let's back up a minute. You said you're a
- member of the ALCPA; is that correct?
- 20 A. That's correct.
- 21 Q. And the AICPA, they have ethical requirements; is
- 22 that true?
- 23 A. Yes.
- 24 Q. And in those ethical requirements, are there
- et hi cal requirements regarding independence,

- 1 integrity, and objectivity?
- 2 A. Yes.
- 3 Q. Tell me what objectivity means within the context
- 4 of your ethics requirements.
- 5 A. Means that I should be objective by what I'm
- 6 looking at.
- 7 Q. And how does that play out when you're an internal
- 8 employee of the organization you're investigating?
- 9 A. Doesn't have any bearing at all.
- 10 Q. What about independence?
- 11 A. Doesn't have any bearing at all.
- 12 Q. So it's your testimony that your ethics
- requirements don't say anything about your
- independence being compromised when you're an
- 15 empl oyee?
- 16 A. I am not acting as a CPA in this particular
- engagement.
- 18 Q. You're not acting as a CPA?
- 19 A. No.
- 20 Q. And so in the discussion of Council when they
- 21 discussed they were hiring you because you were a
- 22 CPA, but it's your understanding that you were not
- 23 hired because you were a CPA?
- 24 MR. HOLLEMAN:
- 25 Object to the form

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q. Do you know if they hired you because you were a
- 3 CPA?
- 4 A. I don't know why they hired me.
- 5 Q. Did you have discussions with them that you were a
- 6 Certified Public Accountant?
- 7 A. I don't think I ever stated that I was.
- 8 Q. And you're not aware of the discussion that led up
- 9 to the resolution that was passed?
- 10 A. I do not know what their internal discussion was
- 11 about, no.
- 12 Q. So it's your testimony today that in this role as
- a investigative accountant, that you're not doing
- that as a Certified Public Accountant?
- 15 A. Not under the -- no. Not under the rules there,
- 16 no.
- 17 Q. And if you would turn to the back of Exhibit 3
- that I just handed you. You signed this report as
- an investigative accountant?
- 20 A. Right.
- 21 Q. Is there some other designation for you as
- 22 account ant other than a CPA?
- 23 A. No, but I didn't sign as a CPA either.
- 24 Q. Why didn't you sign as a CPA?
- 25 A. Why should I?

- 1 Q. Well, you are one, sir.
- 2 A. Yes, but I -- in this particular case, I did not
- 3 sign as one.
- 4 Q. Why?
- 5 A. I never sign -- I don't put my CPA out there,
- 6 regardless of what I sign.
- 7 Q Is that so you're not held to these ethical
- 8 st andar ds?
- 9 A. No. It has nothing to do with it one way or the
- 10 other. I just never have gotten around to -- I
- just never put the certificate -- I mean never put
- the designation out there.
- 13 Q But you put a designation out there as an
- 14 accountant when you produced this report?
- 15 A. Yes.
- 16 Q. Are you familiar with the field work and reporting
- 17 standards of the Association of Independent CPAs?
- 18 A. Yes.
- 19 Q. What is your understanding about those field work
- and reporting standards?
- 21 A. I don't understand the question.
- 22 Q. I'll ask a different way. Is it your
- understanding that reports, when they're made by
- investigators and fraud examiners, that the
- reports have a standard that they're supposed to

- 1 follow?
- 2 A. I did not follow their standards.
- 3 Q. I understand that. My question is, do you
- 4 understand that they have a standard?
- 5 A. I understand that there are standards out there.
- 6 Q And it's your understanding that under those
- 7 standards -- is it your understanding under those
- 8 standards you're supposed to list the condition,
- 9 the criteria, the cause, the effect, and the
- 10 recommendation of --
- 11 A. I didn't follow that format.
- 12 Q. I realize you didn't follow the format. My
- 13 question is different than that. Is it your
- understanding that those reporting requirements
- 15 list those five things as the reporting standard?
- 16 A. I understand that, yes.
- 17 Q. Did you follow any standard in making this
- 18 report?
- 19 A. Just my own.
- 20 Q. Your own standard? Your own opinion?
- 21 A. My own opinion.
- 22 Q. And so as an investigative accountant, your
- designation, this follows no standards at all?
- 24 MR. HOLLEMAN:
- 25 Object to the form

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q I'll rephrase. As an investigative accountant,
- did you follow any standard in producing this
- 4 report?
- 5 A. I followed what -- I reported what I saw and then
- 6 -- and that's the standard I used.
- 7 Q. But you didn't follow the AICPA field work
- 8 st andar ds?
- 9 A. No.
- 10 Q. You did not follow the ALCPA reporting standards?
- 11 A. No.
- 12 Q. You did not follow the internal auditing
- 13 st andar ds?
- 14 A. No.
- 15 Q. You did not follow the certified fraud examiner
- 16 st andar ds?
- 17 A. No.
- 18 Q. What is your understanding of the word,
- 19 "predication"?
- 20 A. I don't know. You tell me.
- 21 Q. Do you understand that there is a concept called
- 22 predication in fraud examining?
- 23 A. No.
- 24 Q. Do you know anything about fraud examining?
- 25 A. I've done quite a bit.

- 1 Q. But you're not familiar with the term,
- 2 "predication"?
- 3 A. No.
- 4 Q. You're not familiar with the fact that a fraud
- 5 examination usually starts with a specific
- 6 all egat i on?
- 7 MR. HOLLEMAN:
- 8 Object to the form
- 9 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 10 Q. Do you understand in fraud examining, that usually
- it starts with a specific allegation?
- 12 MR. HOLLEMAN:
- 13 Same objection.
- 14 MS. KERN-FULLER:
- 15 You can answer.
- 16 WITNESS:
- 17 Say it again.
- 18 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 19 Q. Do you understand that in a fraud investigation, a
- fraud investigation normally starts with a
- 21 specific allegation?
- 22 MR. HOLLEMAN:
- Object to the form, but you can answer.
- 24 MS. KERN-FULLER:
- You can answer.

- 1 WITNESS ANSWERS:
- 2 A. Okay. Well, I understand that there's usually
- 3 some kind of allegation out there, yes.
- 4 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 5 Q And you don't have any knowledge that that's
- 6 normally called predication in the fraud examining
- 7 st andar ds?
- 8 A. I'm not particularly familiar with the term,
- 9 "predication," no.
- 10 Q. What term are you normally familiar with that they
- 11 use?
- 12 MR. HOLLEMAN:
- 13 Object to the form
- 14 WITNESS ANSWERS:
- 15 A. I'm not familiar with the -- with the designations
- out there of the fraud examiners.
- 17 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 18 Q. But you said you've done fraud examinations?
- 19 A. I have done fraud examinations. I've put a few
- people in jail.
- 21 Q. And you've made some allegations in this report
- that, "Many governmental officials have been
- prosecuted in these circumstances."
- 24 A. They have.
- 25 Q. And those circumstances that you're referring to

- 1 are these alleged undocumented expenditures?
- 2 A. I have seen where individuals have had charges
- 3 brought forward to them if you don't have
- 4 document ed expenditures.
- 5 Q. Did you do any research into what the policies of
- the accounting were regarding these expenditures?
- 7 A. I've seen -- I've looked at the approval thing,
- 8 yes.
- 9 Q You've looked at the approval policy?
- 10 A. I have looked at the ordinance of the -- for
- 11 travel and reporting, yes.
- 12 Q. Do you know when that ordinance was passed?
- 13 A. No, I do not.
- 14 Q. Do you know if that ordinance was changed in the
- 15 last year?
- 16 A. Do not know.
- 17 Q. Would that have been something important before
- 18 you made these assertions?
- 19 A. I have not made any assertions. This is just a
- 20 preliminary report. I am not through with this
- 21 area. I have not issued a final report.
- 22 Q. Is it common for a report of this nature to be
- released publicly?
- 24 A. I didn't release it.
- 25 Q. Were you aware it was released publicly?

- 1 A. No.
- 2 Q You were not aware before it was released it was
- 3 going to be?
- 4 A. No.
- 5 Q. Are you aware that Mr. Moore attached it to an
- 6 affidavit in this lawsuit?
- 7 A. No, I did not.
- 8 Q. Are you aware that that affidavit was filed in the
- 9 public record?
- 10 A. No, I did not.
- 11 Q. Are you aware that Ms. Wilson then released this
- to the press?
- 13 A. No, I did not.
- 14 Q. Is it a true statement that fraud examination
- reports normally are not for public release?
- 16 A. I didn't know that this was a fraud examination.
- 17 Q. Well, what exactly is it?
- 18 A. I said the report is not a fraud examination.
- 19 Q. So what is your role with Anderson County?
- 20 A. I am going and looking at the financial activities
- 21 and then reporting to the Council what I found. I
- am not making an allegation that it is fraud.
- 23 Q. Are you just looking at financial activities and
- reporting what you found or are you also making
- 25 recommendations?

- 1 A. I am making recommendations of changes.
- 2 Q. And is that something else that you were engaged
- 3 to do for Anderson County?
- 4 A. It's my understanding they would like that, yes.
- 5 Q. And do you know where there's a directive other
- than this resolution that you do that?
- 7 A. There's not a written directive, no.
- 8 Q. So who have you received that directive from?
- 9 A. We have discussed it in the ad hoc committee as to
- 10 what is the scope of what I was going to be
- 11 looking at.
- 12 Q. What ad hoc committee?
- 13 A. The financial investigation ad hoc committee.
- 14 Q. Sir, you told me you didn't meet with any
- 15 committees or the board.
- 16 MR. HOLLEMAN:
- 17 Object to the form
- 18 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 19 Q. Have you met with the financial ad hoc committee?
- 20 A. One time, yes.
- 21 Q. When did you meet with them?
- 22 A. January 9th.
- 23 Q. Who was present at that meeting?
- 24 A. Mr. Moore, Mr. Allen, and Ms. Wilson, and Mr.
- 25 Waldrep was in the public meeting of it. It was a

- 1 public meeting.
- 2 Q. So the folks that were present were Mr. Moore, Mr.
- 3 Allen, Ms. Wilson, and Mr. Waldrep?
- 4 A. Right, plus Mr. Cunningham and Mr. Gary, the
- 5 at t or ney.
- 6 Q. Mr. Gary?
- 7 A. What's his name?
- 8 Q. Artigliere?
- 9 A. Yeah. Artigliere, yeah.
- 10 Q. What about Mr. Dunn?
- 11 A. No.
- 12 Q. And that happened on January 9th?
- 13 A. January 9th.
- 14 Q. Was that in an open session or in executive
- 15 sessi on?
- 16 A. In the -- part of it was in the open session.
- 17 Then we went into executive session.
- 18 Q. Did you meet with the group in the open session?
- 19 A. Yes, uh-huh.
- 20 Q. Where did that meeting take place?
- 21 A. In the conference room on the second floor in the
- County office building.
- 23 Q. Was that an announced meeting?
- 24 A. Yes, it was.
- 25 Q. What direction were you given as a result of that

- 1 meeting?
- 2 MR. HOLLEMAN:
- 3 Object to the form I'm going to instruct the
- 4 witness not to answer the question.
- 5 MS. KERN- FULLER:
- 6 Well, I think that's appropriate for the executive
- 7 session. I don't think it's appropriate for the
- 8 open session. Were you --
- 9 MR. HOLLEMAN:
- 10 Oh, if you're limiting your question to what he
- 11 was told in the public session, I have no
- objection to the witness testifying as to what he
- was told in open session.
- 14 MS. KERN-FULLER:
- 15 I'll split the question then and you can make the
- objection.
- 17 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 18 Q. In the public session where you met with the ad
- hoc committee on January 9, 2009, were you given
- 20 any specific instruction?
- 21 A. No, I was not.
- 22 Q. In the executive session on January 9, 2009, the
- people you told me were present in the executive
- session were Mr. Moore, Mr. Allen, Ms. Wilson, Mr.
- 25 Waldrep, Mr. Cunningham

- 1 MR. HOLLEMAN:
- 2 Object to the form
- 3 WITNESS ANSWERS:
- 4 A. No. Mr. Waldrep was not in it.
- 5 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 6 Q. He was not present in the executive session?
- 7 A. No.
- 8 Q. Soit was Mr. Moore, Mr. Allen, Ms. Wilson, Mr.
- 9 Cunningham, Mr. Artigliere?
- 10 A. The last two were not.
- 11 Q. So in the executive session, only Mr. Moore, Mr.
- 12 Allen, and Ms. Wilson were in there?
- 13 A. Yes.
- 14 Q. And it's your testimony that you were given some
- 15 kind of instruction during that executive session?
- 16 A. We discussed the method in which we would proceed.
- 17 Q. And were you given -- don't tell me what, but were
- 18 you given specific instructions?
- 19 A. They okayed the direction which we were going to
- 20 go.
- 21 Q. And was that instruction more than what was in
- this resolution?
- 23 A. I don't think so, but --
- 24 Q. Well, the resolution was that you're to perform
- functions as a County budget analyst and chief

- 1 financial investigator.
- 2 A. Far as know, what we discussed covered -- it was
- 3 covered by that.
- 4 Q. And did you ever appear and meet with the Council
- 5 as a whole in an executive session?
- 6 A. No.
- 7 Q. So you have solely taken instruction from that
- 8 meeting on January 9th?
- 9 MR. HOLLEMAN:
- 10 Object to the form
- 11 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 12 Q. Is that true?
- 13 A. Yes.
- 14 Q. Have you received any instruction other than the
- instruction you received on January 9th?
- 16 A. No. Let me modify that just slightly. From time
- 17 to time, they will ask me to look at a specific
- situation, but other than that, no instruction.
- 19 Q. And when you say they, who is they?
- 20 A. A variety of Council people.
- 21 Q. Have you met with that committee since January 9th
- of '09?
- 23 A. No.
- 24 Q. Tell me what the individual Council members then
- 25 have asked you to look at.

- 1 MR. HOLLEMAN:
- 2 Object to the form And I instruct the witness
- 3 not to answer that question.
- 4 MS. KERN-FULLER:
- 5 Why don't you step out just a second, Mr. Daniel,
- 6 and let us put something on the record.
- 7 (9:46 a.m -- witness exists deposition.)
- 8 MS. KERN-FULLER:
- 9 Frank, it's my understanding that a Council can
- only act as a legal body. No individual Council
- 11 member can instruct an employee. I don't think
- it's an appropriate objection, and I don't think
- it's an appropriate instruction to instruct him
- not to answer. If it's something done in
- executive session as a whole Council, something
- done in executive session as a committee, then I
- think you may have a valid argument. Individual
- 18 Council members giving him instruction, though, I
- think is a very clear issue.
- 20 MR. HOLLEMAN:
- 21 For the record, I disagree. This is a lawsuit
- 22 that challenges the institution of the
- investigation under the Home Rule Act and
- 24 Procurement Code. This is not a political
- 25 activity. This is a lawsuit. Under the

1 allegations in the lawsuit, the question asked 2 and the point made by counsel have nothing to do 3 with the issues or claims posed in this lawsuit. That's point one, so it's beyond the scope of 4 5 proper discovery. It also violates the privilege, 6 and that is the County has an investigative 7 privilege and a deliberative process privilege, 8 and other privileges related to its investigation 9 into the financial affairs of the County. And the 10 witness is not going to answer questions related 11 to what he has been asked to investigate, or what 12 he is investigating.

## 13 MS. KERN-FULLER:

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And my response to that is that part of the allegation is that he was improperly hired, that it is a violation of Home Rule, that the continued activity and employment of him is improper and illegal. This is a deposition. This is my opportunity to depose him. This is not a question of admissibility, it's a question of relevance under Rule 401. It's a question of relevance under South Carolina Rules of Civil Procedure 26. It only must be calculated to reasonably lead to admissible evidence. Are you going to make a motion for a protective order?

- 1 MR. HOLLEMAN:
- Yes, we are.
- 3 MS. KERN-FULLER:
- 4 And the Judge is on vacation today and is not
- 5 available except for cell phone. I'll be happy
- 6 to call him if you wish to do so, or we can call
- 7 him Monday, but either way, if we do not answer
- 8 this question today one way or the other, I intend
- 9 to reconvene his deposition before Friday. Will
- 10 you consent to that if the Judge --
- 11 MR. HOLLEMAN:
- No, I will not consent to reconvening the
- deposition because I think the question is
- improper.
- 15 MS. KERN-FULLER:
- 16 If the Judge rules --
- 17 MR. HOLLEMAN:
- And I think it's beyond the scope of what is
- allowed to be discovered here. It violates the
- 20 privilege, and furthermore, this lawsuit is not
- 21 going to be used by the Plaintiffs to try to
- 22 discover what is being investigated and to disrupt
- a legitimate investigation of Anderson County.
- 24 That is not going to happen.
- 25 MS. KERN-FULLER:

			51
1		Plaintiffs have no interest in disrupting a	
2		legitimate investigation. The Plaintiffs have	
3		every interest in disrupting an illegitimate	
4		investigation. That's what the lawsuit	
5	MR.	HOLLEMAN:	
6		You may remember the Judge has ruled that there	
7		is little likelihood that you are correct on the	
8		merits.	
9	MS.	KERN- FULLER:	
10		I don't believe that's what the Judge exactly	
11		said, but we can get a transcript. In any case,	
12		if the Judge rules that this question is	
13		appropriate, will you agree to reconvene his	
14		deposition before Friday?	
15	MR.	HOLLEMAN:	
16		If the Judge determines that he should answer the	
17		question, we will work with Court, counsel, and	
18		the witness to reconvene the deposition at a	
19		mutually convenient time. I cannot tell you right	t
20		now whether before Friday will work, but we will	
21		work with everyone. This deposition is not	
22		essential, nor related to the motion hearing on	
23		Friday, so it really matters not whether it's	
24		conducted before the Friday hearing or not because	е
25		that's a motion to dismiss. It takes allegations	

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1
          of the Complaint as true.
     MS. KERN-FULLER:
2
3
          I understand. And I'm trying to discover what it
4
          is he's actually doing.
5
     MR. HOLLEMAN:
6
          Well, we take the allegations of your Complaint as
7
          true and still there's no legal merit to this
8
                 So it really -- discovery is irrelevant to
          case.
9
          the motion to dismiss, but as I said, if the Judge
10
          determines any question that we object to should
11
          be answered, we will certainly cooperate with
12
          opposing counsel, the witness, the parties, and
13
          the Court to reconvene the deposition.
                                                   But
14
          sitting here today, I can't tell you anything
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- 18 MS. KERN-FULLER:
- 19 Well, Frank, I'm trying to determine whether we

about the schedules of all the different people

involved who have a right to be here at a

- 20 need to call this Judge on his vacation or not.
- 21 MR. HOLLEMAN:
- Well, that's up to you.

deposition.

- 23 MS. KERN-FULLER:
- 24 Do you know of any --

25

15

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## 1 MR. HOLLEMAN:

25

That's up to you. If you think -- I personally do 2 3 not think there's any need to call the Judge today because this motion can be handled in due course, 4 5 as happens in most depositions. But I cannot tell 6 you sitting here today that we would be able to 7 reconvene this deposition before next Thursday, 8 Wednesday, Tuesday, et cetera. I'm sure I have 9 other things scheduled next week and you may, and 10 the other parties may. And Mr. Waldrep has 11 counsel who's entitled to be here. 12 accommodated you today by coming, even though his 13 counsel couldn't be here, but he has counsel who's 14 entitled to be at the deposition if they decide 15 So I'm just not in a position -- I don't to. 16 represent all the parties. I'm not in a position 17 to say the deposition can be reconvened before 18 Friday. I'm not in a position to say it won't be 19 either. I'm just not in a position to say, but 20 I'm saying there's nothing magic about next 21 This deposition is unrelated to that Friday. 22 hearing. 23 MS. KERN-FULLER: 24 Well, I think it's related with regard to what it

is he's truly doing.

## MR. HOLLEMAN: 1 2 We're assuming -- you have filed a lawsuit. You 3 filed your Amended Complaint. That's the only thing you have left to file before this hearing. 4 We're accepting your allegations in your Amended 5 6 Complaint as true for the purposes of the motion And our position is it has no legal 7 to dismiss. 8 merit, even if everything alleged in it is true, 9 so the discovery really doesn't relate to that 10 hearing. So I'm not saying we won't do it before 11 next Friday, I'm just saying I can't -- I'm not in 12 a position to say it could be done before next 13 Friday if the Judge were to rule before next 14 Friday as to whether a particular question could 15 be answered. I can't make any commitments as to 16 schedul es. 17 MS. KERN-FULLER: 18 Exhibit 3 was filed by you as part of our

- restraining order. Was it relevant to the
- restraining order?
- 21 MR. HOLLEMAN:
- I'm not going to get in a debate with you here
- t oday, period.
- 24 MS. KERN-FULLER:
- Well, if it was relevant, I should be able to

- 1 question him about it.
- 2 MR. HOLLEMAN:
- 3 I'm telling you we're not -- I'll tell you right
- 4 now we're not going to have any questions into the
- 5 investigation that he is conducting. He's not
- 6 going to answer those questions about the content
- of the investigation. We've allowed you to ask
- 8 questions of what he's been asked to investigate
- 9 or what he is investigating.
- 10 MS. KERN- FULLER:
- I intend to ask him questions about this document
- which you've entered into the record as a relevant
- document.
- 14 MR. HOLLEMAN:
- 15 I'm going to have to listen to each question one
- at a time. I told you the one -- I've told you
- the one he will not answer that you just asked,
- but I've let him answer -- I've not objected to
- him answering any other question you've asked
- today and we've been here almost an hour.
- 21 MS. KERN-FULLER:
- Okay. I will go through the questions and you can
- object to them as I go through them And I'll e-
- 24 mail my paralegal to find Judge Williams' cell
- 25 phone number.

- 1 (9:54 a.m -- witness reenters deposition.)
- 2 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 3 Q. Do you have Exhibit 3, Mr. Daniel?
- 4 A. Excuse me?
- 5 Q. Could you find Exhibit 3 for me, sir?
- 6 A. Yes.
- 7 Q. What was the date that you prepared this document,
- 8 sir?
- 9 A. Somewhere around February the 10th.
- 10 Q. And was February 10th the date that you slid this
- document under each of the Council members' doors?
- 12 A. It might have been the 11th, it might have been
- 13 the 12th.
- 14 Q. Do you know what day of the week the 10th was?
- 15 A. No.
- 16 Q. How do you know that it was February 10th?
- 17 A. It was approximately that period of time.
- 18 Basically I was doing it for a cutoff, because on
- each one of these figures it changes by what ever
- gets processed the next day.
- 21 Q. Do you know if there was a County Council meeting
- on February 10th, as it was a Tuesday?
- 23 A. I do not know.
- 24 Q But you don't believe you put it under their door
- 25 on the 10th?

- 1 A. I don't know. You can basically go and -- I mean
- 2 I can find out from Tom Seigler because I had him
- document when I walked in the building for that
- 4 pur pose.
- 5 Q. Who is Tom Seigler?
- 6 A. He's a security agent -- security man at the
- 7 County office building.
- 8 Q. Do you sign in every time you come into the
- 9 building?
- 10 A. Huh-uh.
- 11 Q. Is that a no?
- 12 A. No.
- 13 Q. Why did you sign in that particular day?
- 14 A. I wanted him to classify the time that I brought
- this document.
- 16 Q. But you didn't put it under the County Council
- 17 members' door on that day?
- 18 A. I did.
- 19 Q. So whatever date it was you signed in was the date
- you actually put it under their door?
- 21 A. Yes.
- 22 Q. And what was his name again? Tom --
- 23 A. Seigler.
- 24 Q. Do you know how to spell his last name?
- 25 A. S-E-I-G-L-E-R, I think.

- 1 Q. And he works security at Anderson County?
- 2 A. Uh-huh.
- 3 Q. And what was the deadline you were working under?
- 4 A. I was just trying to get it out in case the Judge
- 5 ruled on the -- on the restraining order.
- 6 Q. Were you aware at that time when the hearing was
- for the restraining order?
- 8 A. Huh-uh.
- 9 Q. So let me go through some of the issues raised in
- 10 your report.
- 11 A. Okay.
- 12 Q. First issue you raise is about a lobbyist and how
- much the lobbyist charged over a three and a half
- 14 year period?
- 15 A. Yes.
- 16 Q. Did you also review how much in funds and earmarks
- the County received over that same period?
- 18 A. No. I was just reporting on how much was spent to
- 19 them
- 20 Q. And you also make a recommendation in here almost
- 21 -- I guess it would be a rhetorical question.
- The question is whether Anderson County or any
- organizations in Anderson needs to pay a retainer;
- is that correct?
- 25 A. Uh-huh, that's correct.

- 1 Q. Would it have been important to your
- 2 recommendation that the County should develop the
- 3 relationship with our congressional representative
- 4 to receive those funds to know how much in funds
- the County had actually received as a result of
- 6 these lobbying efforts?
- 7 A. I knew how much -- approximately how much it is.
- 8 All you got to do is divide the six percent into
- 9 the -- the success fees, but they could have
- 10 gotten probably the same result just working with
- 11 the County delegation.
- 12 Q. What evidence did you review to come to that
- 13 conclusion?
- 14 A. This is a recommendation. I suggested that they
- try to develop the relationship or they can
- 16 continue on. I did not recommend that they
- 17 terminate it, I just asked them if this should be
- something that they should investigate.
- 19 Q. Well, the statement says the County should develop
- the relationship with the --
- 21 A. I was making the suggestion, yes.
- 22 Q. And is it true that there were only a few of the
- contracts that had success rate provisions?
- 24 A. There was only one that I know of.
- 25 Q. And so your assumption that you could get the

- 1 amount based on that one success rate contract, do
- 2 you still believe that to be an accurate
- 3 assumpt i on?
- 4 A. It is something that they should explore.
- 5 Q And you make that recommendation and assumption
- 6 without knowing how much they actually received
- 7 over that period?
- 8 A. I have some -- approximately some idea what it
- 9 might be, but --
- 10 Q. And what is your assumption and idea of how much
- it actually might be?
- 12 A. It's probably a couple million -- two or three
- million dollars.
- 14 Q. Have you seen the "Report to the People" that was
- done last year, sir?
- 16 A. I've glanced at it, yeah.
- 17 Q. Do you know if it's reported in there how much was
- 18 actually received in earmark funds?
- 19 A. No.
- 20 Q Have you reviewed this document?
- 21 A. Not really.
- 22 Q. So if this did report how much was actually
- received in earmark funds and it was different
- than just one or two million dollars, you wouldn't
- 25 know?

- 1 A. I wouldn't know.
- 2 Q. Item II is about credit cards.
- 3 A. Uh-huh.
- 4 Q. You say, "The Administrator approved his own
- 5 invoices and there is little documentation
- 6 supporting these expenditures other than notes and
- 7 letters." You stated earlier that you reviewed
- 8 the policy of Anderson County?
- 9 A. This is a preliminary report. And I also said
- that I was far from through in this area, so this
- is not a final report in any way.
- 12 Q. I understand that. This is a report that's been
- filed in our lawsuit, though. So my question is,
- have you reviewed the policy?
- 15 A. I have looked at the policy. I have not studied
- it in detail.
- 17 Q. What is your understanding from the policy as what
- is required?
- 19 A. Of what?
- 20 Q. For credit card expenditures by the County
- 21 Administrator.
- 22 A. The way I understand the way they are working it
- is that the department heads approve the travel
- and the Administrator approves the travel of the
- depart ment heads.

- 1 Q. What is your understanding of the policy about who
- 2 approves the County Administrator's expenses?
- 3 A. My understanding is that no one has been approving
- 4 it.
- 5 Q. What is your understanding of what the policy
- 6 requires?
- 7 A. I didn't see anything in the policy that said --
- 8 that stated what was to be done.
- 9 Q. So you see nothing in the policy that contradicts
- that the County Administrator could approve his
- own expenditures?
- 12 MR. HOLLEMAN:
- 13 Object to the form
- 14 WITNESS ANSWERS:
- 15 A. I see -- I think that the County Administrator,
- 16 according to policy, can approve his own expense
- 17 reports, yes.
- 18 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 19 Q. And do you see -- did you see anything in the
- 20 policy that required anything specific that a
- County Administrator would have to write on those
- invoices or receipts?
- 23 A. No.
- 24 Q And the conclusion that you make about personal
- expenditures being included on the W 2, do you

- 1 have any documentation that would support that
- those are personal expenditures rather than
- 3 business expenditures?
- 4 MR. HOLLEMAN:
- 5 Object to the form
- 6 WITNESS ANSWERS:
- 7 A. I have nothing that -- yet that says one way or
- 8 the other, no.
- 9 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 10 Q And if a County Administrator were entertaining
- 11 clients and business prospects, would that be a
- 12 personal or business expenditure?
- 13 MR. HOLLEMAN:
- 14 Object to the form
- 15 WITNESS ANSWERS:
- 16 A. It would be a business, but they should document
- 17 who they met with and -- or what the purpose was.
- 18 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 19 Q. Under what policy or rule?
- 20 A. IRS rules.
- 21 Q But not under County policy?
- 22 A. Evidently not.
- 23 Q. As a County budget analyst and chief financial
- investigator or investigative accountant, have you
- 25 had any information provided to you of how much

- the expenses actually were relating to the
- 2 litigation Ms. Wilson brought?
- 3 MR. HOLLEMAN:
- 4 Wait just a minute. Wait before you answer the
- 5 question. Could you just repeat your question so
- 6 I --
- 7 MS. KERN- FULLER:
- 8 And I'll break it down.
- 9 MR. HOLLEMAN:
- 10 Okay.
- 11 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 12 Q. In Item III of your report, you note that, "At
- 13 Least \$130,584 was spent on the lawsuit with Ms.
- 14 Wilson over access to the legal bills."
- 15 A. Right.
- 16 Q. Is it your understanding that's the lawsuit Ms.
- Wilson lost?
- 18 A. Yes.
- 19 Q. And have you inquired as to whether she would be
- required to pay those legal expenses back to the
- 21 County because she lost?
- 22 A. No.
- 23 Q. Is that something that might be important to the
- County for their budget purposes?
- 25 A. I do not know.

- 1 Q. The 130,584, was that only in regard to the writ
- of mandamus lawsuit that Ms. Wilson lost?
- 3 A. Yes.
- 4 Q. And if you were to discover that under our legal
- 5 rules and our policy in South Carolina, that a
- 6 person that loses a writ of mandamus should have
- 7 to pay the other party's legal fees, would you
- 8 recommend to this County that they pursue that
- 9 from Ms. Wilson?
- 10 MR. HOLLEMAN:
- 11 Object to the form
- 12 WITNESS ANSWERS:
- 13 A. I don't know what I would recommend. I hadn't
- t hought about it.
- 15 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 16 Q. Well, if you knew that the legal bills that Ms.
- 17 Wilson cost this County were actually over
- 18 \$600,000, would that be something important for
- 19 you to recommend they pursue?
- 20 A. I haven't seen anything like that.
- 21 MR. HOLLEMAN:
- 22 Object to the form
- 23 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 24 Q. Are you aware that Ms. Floyd requested, pursuant
- to the Freedom of Information Act, information as

- 1 to how much Ms. Wilson has actually cost this
- 2 County in these lawsuits?
- 3 A. I read -- heard something about it, but I haven't
- 4 seen the fees yet.
- 5 Q. Who did you hear it from?
- 6 A. Oh, I think the press somewhere.
- 7 Q. You didn't hear it directly from anybody who is
- 8 employed or a Council member with the County?
- 9 A. No.
- 10 Q. So are you aware of how much those fees actually
- are that Ms. Wilson has generated?
- 12 A. No.
- 13 Q. Where did you get this \$130,000 figure from?
- 14 A. One particular law firm
- 15 Q. In reviewing one particular law firms legal
- 16 expenses?
- 17 A. Uh-huh.
- 18 Q. Don't tell me what those legal expenses comprise,
- 19 but who was the law firm?
- 20 A. Poe Cassi dy.
- 21 Q. Poe Cassidy?
- 22 A. I think that's it. I don't have it in front of
- me, so I can't -- they got so many law firms, I
- 24 can't remember exactly which one.
- 25 Q. Is it Coates and Cassidy maybe?

- 1 A. Yes. I think Coates and Cassidy, yeah.
- 2 Q. So the 130,000 is only with regard to Coates and
- 3 Cassi dy?
- 4 A. That's correct.
- 5 Q. You make a recommendation that the County have an
- 6 in-house attorney to process Freedom of
- 7 Information Act requests?
- 8 MR. HOLLEMAN:
- 9 Object to the form
- 10 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 11 Q. Well, you make a recommendation that --
- 12 A. No. I recommended that they have an individual to
- handle most of the Freedom of Information Act and
- then only the ones that need legal to refer to a
- 15 lawyer. At the moment, they're referring all FOIs
- 16 evidently to lawyers.
- 17 Q. You're not aware that they have an in-house FOIA
- 18 person named Devon?
- 19 A. I understand that they now have somebody that
- supposedly handles it all, but I've been told that
- 21 before -- or recently all of these FOIs went to
- the law firms.
- 23 Q. Who told you that before all the FOIs went to the
- 24 law firms?
- 25 MR. HOLLEMAN:

- 1 I'm going to instruct him not to answer that
- 2 question. I've instructed you not to answer that
- 3 question.
- 4 MS. KERN-FULLER:
- 5 On what basis?
- 6 MR. HOLLEMAN:
- 7 Based on privilege and that it's beyond the scope
- 8 of this lawsuit.
- 9 MS. KERN-FULLER:
- 10 Intercorporate privilege or legal privilege?
- 11 MR. HOLLEMAN:
- 12 I'm basing it on the investigative privilege, the
- deliberative process privilege, and other
- privileges that relate to the internal workings of
- an investigation like this one. And there's a
- 16 confidential informant privilege as well.
- 17 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 18 Q. In regard to Item III. 2. where it says, "The
- Administrator should appoint an employee to be the
- 20 Freedom of Information officer that would handle
- 21 routine requests," at the time that you made this
- report, were you aware that Anderson County had a
- 23 Freedom of Information officer?
- 24 A. I know that there was -- somebody supposedly was
- 25 handling it, but -- and also that all of it was

- 1 handled -- was sent straight to a lawyer also.
- 2 Q. And you can't tell me how you know that other than
- 3 his objection?
- 4 A. Yeah.
- 5 Q. Did you review any documents that gave you that
- 6 information?
- 7 A. Yes.
- 8 Q And other than legal bills, were there any other
- 9 documents that you reviewed that gave you that
- information?
- 11 A. I'm not through with my investigation in all this,
- but no, I don't have any other than legal bills.
- 13 Q. So you don't know what FOIA requests the
- information officer may have completed without
- 15 legal advice?
- 16 A. That's correct.
- 17 Q. Did you talk to the Freedom of Information
- 18 of ficer?
- 19 A. No, I have not.
- 20 Q. And you also make the recommendation that, "County
- Council should be made aware of all litigation
- against other individuals or organizations and of
- all litigations against the County"?
- 24 A. That's correct.
- 25 Q. Are you aware that County Administrators do that

- 1 as part of their County administrative reporting?
- 2 A. I've been told that they have not been informing
- all members of the Council.
- 4 Q. Have you reviewed any documents of what the County
- 5 Administrator's reports actually were?
- 6 A. No.
- 7 Q. And lastly you state in Item 4 that, "The Chairman
- 8 or Vice Chairman should approve of all legal
- 9 invoices above an agreed upon amount "?
- 10 A. Uh-huh.
- 11 Q. Are you familiar with the County Administrator
- form of government as it is proposed in South
- 13 Carolina?
- 14 A. That's correct. Yes, I am
- 15 Q. Do you believe that recommendation to be
- 16 consistent with the County Administrator form of
- 17 government?
- 18 A. I know that some legal advice will probably say
- that they don't have to do it that way.
- 20 Q. So the answer to that question is --
- 21 A. I'm not a lawyer. I don't -- I haven't read the
- 22 -- the law on it. I make it as a matter of
- control that they should approve all legal
- invoices above a certain amount.
- 25 Q. Is that control as your job as a budget analyst

- or as a financial investigator, or is it just your
- 2 opi ni on?
- 3 A. It's my opinion.
- 4 Q. You then go into consultants. And first of all,
- is it your understanding that a County
- 6 Administrator has the legal authority to enter
- 7 into consulting agreements on behalf of the
- 8 Count y?
- 9 A. That's correct.
- 10 Q. Are you familiar with the requirements for
- 11 government bidding under Title VI as to how many
- of those have to go to minority contractors and
- the preferences minority contractors receive?
- 14 MR. HOLLEMAN:
- 15 Object to the form
- 16 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 17 Q. I'll break it down. Are you familiar with Title
- 18 VI ?
- 19 MR. HOLLEMAN:
- 20 Object to the form
- 21 WITNESS ANSWERS:
- 22 A. Not the -- not the specifics, no.
- 23 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 24 Q. Are you familiar with the preferences that
- 25 minority contractors receive in governmental

- 1 contracts?
- 2 A. Yes, I am
- 3 MR. HOLLEMAN:
- 4 Object to the form
- 5 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 6 Q Are you aware that the contract for C&S Consulting
- 7 and the monies that are paid are paid solely by a
- 8 government al grant?
- 9 A. That's correct.
- 10 Q. And are you aware that if the County terminates
- the contract before the period of it runs, that
- the County may be liable to have to pay back to
- the federal government portions of that grant?
- 14 MR. HOLLEMAN:
- 15 Object to the form You can answer the question
- 16 if you can.
- 17 WITNESS ANSWERS:
- 18 A. I'm not aware one way or the other, no.
- 19 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 20 Q. Would that have been something important before
- 21 making recommendations regarding C&S Consulting?
- 22 MR. HOLLEMAN:
- 23 Object to the form
- 24 WITNESS ANSWERS:
- 25 A. I don't think I made a recommendation concerning

- 1 C&S Consulting. I was giving them information.
- 2 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 3 Q. Were you given information that there's a
- 4 scrivener's error in Mr. Scott's contract?
- 5 A. That there's a what?
- 6 Q. A scrivener's error in Mr. Scott's contract.
- 7 MR. HOLLEMAN:
- 8 Object to the form
- 9 WITNESS ANSWERS:
- 10 A. I'm not familiar with the term
- 11 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 12 Q. Do you know if it was that he was supposed to work
- 13 50 hours a week or 50 hours a month?
- 14 A. It was 50 hours a week.
- 15 Q. And you have no information about whether that
- should have been a month instead of a week?
- 17 A. No.
- 18 Q. Did you inquire of the County Administrator, the
- most recent former County Administrator, Mr.
- 20 Cunningham as to why that was so high?
- 21 MR. HOLLEMAN:
- 22 Object. I'm going instruct the witness not to
- answer that question. It's asking him about his
- communications with people in County government
- concerning the investigation.

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q I'll ask you a more general question. Did you
- make any attempt to discuss with any employee of
- 4 Anderson County -- don't tell me what employee,
- 5 but just tell me, did you make any attempt to
- 6 discuss with any employee of Anderson County the
- 7 content of this contract?
- 8 A. Yes, I did.
- 9 Q. And how many employees did you discuss?
- 10 A. Three.
- 11 Q. Thirty?
- 12 A. Three.
- 13 Q. Three; okay. In the context of that discussion
- and investigation, did you make allegations that
- 15 Mr. Scott had fathered the child of one of the
- 16 employees in the County?
- 17 MR. HOLLEMAN:
- 18 I'm going to instruct the witness not to answer
- the question because it deals with his
- communications concerning the investigation.
- 21 MS. KERN-FULLER:
- 22 I don't think that's communications. I think
- that's certainly outside the scope of any
- 24 privilege.
- 25 MR. HOLLEMAN:

- 1 Well, I don't.
- 2 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 3 Q. I'll ask a separate question. Are you aware of
- 4 any harassment complaints that have been filed
- 5 against you by employees?
- 6 A. I've been told of some, yes.
- 7 Q. Have you been told there's at least two that have
- 8 been filed?
- 9 A. How do you know that?
- 10 Q. I get to ask the questions; I'm sorry. Have you
- 11 been told that at least two were filed?
- 12 A. I have been informed of that, yes.
- 13 Q. And are you aware of any more than two that have
- 14 been filed?
- 15 A. No.
- 16 Q. With regard to Palmetto Agriculture Consultants,
- 17 you state that the contract was signed on November
- 1, 2008 with Ms. Schaum Are you aware that Ms.
- 19 Schaum had put on a very successful agricultural
- conference that occurred on October 31st?
- 21 MR. HOLLEMAN:
- 22 Object to the form
- 23 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 24 Q. Are you aware of a conference that Ms. Schaum
- or gani zed?

- 1 A. No, huh-uh. No.
- 2 Q. Are you aware there was a conference that Ms.
- 3 Schaum organized that occurred beginning on
- 4 Oct ober 31, 2008?
- 5 A. No.
- 6 Q. Would that have been something important to know
- 7 before making judgments about her contract?
- 8 A. No.
- 9 MR. HOLLEMAN:
- 10 Object to the form
- 11 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 12 Q. Why would that have not been important?
- 13 WITNESS:
- 14 (Speaking to Mr. Holleman): Are you objecting or
- 15 --
- 16 MR. HOLLEMAN:
- 17 I objected to the form, but you can answer.
- 18 WITNESS:
- 19 Say -- ask the question again.
- 20 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 21 Q. I asked you first if that would have been
- important, and you said no?
- 23 A. No.
- 24 MR. HOLLEMAN:
- I object to the form of that one.

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q. And my follow-up question to that is, why would
- 3 that have not been important to you?
- 4 MR. HOLLEMAN:
- 5 Same objection.
- 6 WITNESS ANSWERS:
- 7 A. I was informing the Council of any buyout
- 8 provisions in the contracts. As to who it was to
- and as to what they were doing, I did not make any
- 10 recommendation one way or the other about these
- 11 consultants. I was only informing the Council of
- 12 what was out there.
- 13 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 14 Q. And was that part of the duties that you have in
- this job?
- 16 A. Yes.
- 17 Q. Specifically to look for buyout provisions?
- 18 A. I'm to review contracts and inform them of
- anything of a financial nature that was signed or
- 20 what ever by the previous administration.
- 21 Q. Signed at any time by the previous administration
- or just at a certain period of time?
- 23 MR. HOLLEMAN:
- Object. I'm going to instruct the witness not to
- answer that question as to what he particularly is

- 1 looking into.
- 2 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 3 Q. What is your understanding about the last day that
- 4 Mr. Preston actually worked for this County?
- 5 A. I understand it was November 30th, but was acting
- 6 as a consultant to December 31st.
- 7 Q. Are you aware that Ms. Schaum has received several
- grants from the USDA for a farm to school program?
- 9 A. Once again, no, I am not. The answer is no.
- 10 Q. And are you aware that that farm to school program
- 11 goes for several years?
- 12 MR. HOLLEMAN:
- 13 Object to the form
- 14 WITNESS ANSWERS:
- 15 A. No.
- 16 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 17 Q. Are you aware if that has any connection to what
- the buyout termis in her contract?
- 19 A. No.
- 20 MR. HOLLEMAN:
- 21 Object to the form
- 22 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 23 Q. Would that have been something that might be
- important to know?
- 25 MR. HOLLEMAN:

- 1 Object to the form
- 2 WITNESS ANSWERS:
- 3 A. No.
- 4 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 5 Q. Why would that have not been important to know?
- 6 MR. HOLLEMAN:
- 7 Same objection.
- 8 WITNESS:
- 9 You objected to the form?
- 10 MR. HOLLEMAN:
- 11 Object to the form
- 12 MS. KERN-FULLER:
- He's objecting to everything. Don't worry about
- it. We're putting it on the record.
- 15 MR. HOLLEMAN:
- 16 I am not objecting to everything. Go ahead, but
- if you would, let me object before you answer.
- And in this instance, I'm just objecting to the
- 19 f or m
- 20 WITNESS ANSWERS:
- 21 A. Okay. I was instructing Council of what the
- contract said, not as to what the results were by
- anybody.
- 24 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 25 Q. And you're making assumptions about certain

- 1 amounts that would occur?
- 2 MR. HOLLEMAN:
- 3 Object to the form
- 4 WITNESS ANSWERS:
- 5 A. According to what I read in the buyout provisions,
- 6 yes.
- 7 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 8 Q. But you stated you're not an attorney?
- 9 A. No.
- 10 Q. In Item V, you also address a contract with regard
- to vending services. And you make a statement
- that, "This contract will conflict with preference
- treatment that is required to be given to the
- 14 South Carolina Commission for the Blind in all
- public buildings"; is that correct?
- 16 A. Yes.
- 17 Q. What is your understanding of what preference
- means versus an absolute granting of a contract?
- 19 A. It means that they are to give preference
- treatment. In some cases, it is ignored, but
- 21 anyway -- anyway, as I understand this situation,
- the Commission has contacted the County to -- you
- know, to put the vending in, but sometimes the
- County does not give them preference treatment,
- 25 so --

- 1 Q. And preference only means that you go to the top
- of the list; isn't that correct?
- 3 A. That's correct, uh-huh.
- 4 Q. So if the County had had complaints about the
- 5 services that the South Carolina Commission for
- 6 the Blind had performed, would that be a reason
- 7 they could decide not to give them preference?
- 8 MR. HOLLEMAN:
- 9 Object to the form
- 10 WITNESS ANSWERS:
- 11 A. Okay. I understand that that is correct, yes.
- 12 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 13 Q. That there were complaints?
- 14 A. I don't know that Anderson County's had any
- complaints, but I know that from time to time I've
- heard that sometimes there are complaints.
- 17 Q. And so when you make the statement that this
- 18 contract will conflict with preference treatment,
- 19 what do you base that upon?
- 20 A. That they are supposed to give preference
- treatment to the South Carolina Commission for the
- Blind.
- 23 Q. And do you have any knowledge that they didn't
- consider them or give them preference, or do you
- just make the assumption because they were not

- 1 awarded the contract?
- 2 MR. HOLLEMAN:
- 3 Object to the form
- 4 WITNESS ANSWERS:
- 5 A. I was told by someone that it was going to be
- 6 something they were going to have to work out.
- 7 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 8 Q. And was that someone an employee of the County?
- 9 A. Yes.
- 10 MS. KERN-FULLER:
- And I'm assuming that you will instruct him not to
- 12 -- I'll ask the question.
- 13 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 14 Q. Can you tell me who the employee of the County is
- that told you that?
- 16 MR. HOLLEMAN:
- 17 I'm going to instruct the witness not to answer
- 18 that question.
- 19 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 20 Q. And in the current contract that was granted, do
- you know who was granted that contract?
- 22 A. Yes, I do.
- 23 Q. Was it Cromer Food Services?
- 24 A. Yes, it was.
- 25 Q. Are you aware that in that contract, that all of

- the proceeds go to a service member family
- 2 or gani zat i on?
- 3 A. I'm not sure who the proceeds go to.
- 4 Q. Have you reviewed that contract?
- 5 A. I've looked at it.
- 6 Q. But you don't recall that actually their profits
- 7 go to a non-profit service member family --
- 8 A. No.
- 9 MR. HOLLEMAN:
- 10 Object to the form
- 11 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 12 Q. We were discussing previously the AICPA
- requirements about objectivity and independence,
- and I just want to be clear. Do you believe as
- an investigative accountant that you have a
- 16 requirement to be objective?
- 17 A. Yes.
- 18 Q Do you believe as an investigative accountant that
- 19 you have a requirement to be independent?
- 20 A. Yes.
- 21 Q. Do you believe as an investigative accountant that
- you have a requirement to have integrity in your
- findings?
- 24 A. Yes.
- 25 Q. And if an investigative account ant advocates for a

- 1 particular political position, does that in any
- way smear their independence or objectivity?
- 3 MR. HOLLEMAN:
- 4 Object to the form
- 5 WITNESS ANSWERS:
- 6 A. It would, yes.
- 7 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 8 Q If a person who was an investigative accountant
- 9 made statements that they hated the person that
- was the target of their investigation, would that
- 11 negatively impact their independence and
- int egrity?
- 13 A. Yes.
- 14 MR. HOLLEMAN:
- 15 Object to the form
- 16 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 17 Q. Would that be a violation under the ALCPA
- 18 st andar ds?
- 19 A. Sur e.
- 20 MR. HOLLEMAN:
- 21 Object to the form
- 22 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 23 Q. And is it your testimony that in your role as an
- investigative accountant, that you don't have to
- comply with the AI CPA standards?

- 1 A. Not necessarily, no.
- 2 Q. Not necessary for you to comply or not necessary
- that you don't have to comply?
- 4 A. I do not have to followit -- their guidelines.
- 5 Q. In the role that you're performing for Anderson?
- 6 A. In the role that I'm performing for Anderson
- 7 Count y.
- 8 Q. Even though you are a CPA?
- 9 A. Even though I am a CPA.
- 10 Q. Even if you were hired because you were a CPA?
- 11 MR. HOLLEMAN:
- 12 Object to the form
- 13 WITNESS ANSWERS:
- 14 A. I don't know that I was hired because I'm a CPA.
- 15 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 16 Q. Assuming that you were -- assume with me that you
- 17 were hired because you were a CPA. If that were
- the case, would you have to comply with the
- 19 AI CPA?
- 20 MR. HOLLEMAN:
- 21 Object to the form
- 22 WITNESS ANSWERS:
- 23 A. If I'm an employee of the County, I do not have to
- comply with the requirements of the AICPA, if I'm
- a CPA employed with the County.

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q. And I asked for a copy of your engagement letter,
- and you told me there was none. Have you filled a
- 4 Wage Payment Act Notice in accordance with South
- 5 Carolina law?
- 6 MR. HOLLEMAN:
- 7 Object to the form
- 8 WITNESS ANSWERS:
- 9 A. I filled out whatever the County told me to fill
- 10 out.
- 11 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 12 Q. Have you received a Wage Payment Notice --
- 13 A. No.
- 14 Q. -- as an employee?
- 15 A. No.
- 16 Q. Before accepting your engagement as an employee,
- 17 did you perform any type of CPA or accounting
- services for any member of Anderson County
- 19 Council?
- 20 A. No.
- 21 Q. The times that you met with these current Council
- 22 members, which you have testified was before they
- took their oath of office on January 3rd --
- 24 A. Right.
- 25 Q -- did you charge them for any of those meetings?

- 1 A. No, I did not.
- 2 Q. Do you normally charge for meetings of that sort
- 3 to your clients?
- 4 MR. HOLLEMAN:
- 5 Object to the form
- 6 WITNESS ANSWERS:
- 7 A. I did not consider them a client at that point.
- 8 I --
- 9 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 10 Q. You understood they wanted to engage you?
- 11 MR. HOLLEMAN:
- 12 Object to the form
- 13 WITNESS ANSWERS:
- 14 A. I didn't understand that till the latter part of
- 15 December.
- 16 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 17 Q. And at the latter part of December at that meeting
- when you understood they did want to engage you,
- did you charge them for those meetings?
- 20 A. No, I did not.
- 21 Q. Did you understand that you would be engaged?
- 22 A. I did not understand. I did not understand for
- sure until January the 7th.
- 24 Q. How long did this first meeting last in November?
- 25 A. Probably 30 minutes, 45.

- 1 Q How long did the second meeting last in early
- 2 December?
- 3 A. Probably no longer than that, but I can't
- 4 remember.
- 5 Q. How long did the third meeting last with the four
- 6 Council members, four current Council members?
- 7 A. Approximately the same amount of time.
- 8 Q. So a total of an hour and a half, maybe two hours?
- 9 A. Two or three hours, yeah.
- 10 Q. And you didn't charge them at all for that time?
- 11 A. No, I did not.
- 12 Q. Is your CPA license current?
- 13 A. Yes, it is.
- 14 Q. And if I were to pull your license up on Labor,
- 15 Licensing, and Regulation, would it show that
- 16 you're actually engaged with Greene and Company?
- 17 A. I'm not sure what it would show.
- 18 Q. When you renewed it last, did you renew it as a
- 19 CPA through Greene and Company?
- 20 A. Gosh, I can't remember. I probably did. I may
- 21 have, yes.
- 22 Q. Before accepting your engagement, your employment
- with Anderson County, did you have any personal or
- business relationship with Joey Preston?
- 25 A. No.

- 1 Q John Scott?
- 2 A. No.
- 3 Q. Allison Schaum?
- 4 A. No.
- 5 Q. Eddie Moore?
- 6 A. No.
- 7 Q. Bob Waldrep?
- 8 A. No.
- 9 Q. Cindy Wilson?
- 10 A. No.
- 11 Q. Tormy Dunn?
- 12 A. No.
- 13 Q. Tom Allen?
- 14 A. No.
- 15 Q. What are the normal procedures for accepting an
- 16 audit or investigative engagement?
- 17 MR. HOLLEMAN:
- 18 Object to the form
- 19 WITNESS ANSWERS:
- 20 A. If I was a CPA, I would sign an engagement letter.
- 21 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 22 Q. What are Greene and Company's procedures for
- accepting an audit or investigative engagement?
- 24 A. They will -- or a consulting agreement. They will
- sign an engagement letter.

- 1 Q Is it common for them to sign an engagement letter
- two weeks after they were engaged and began
- 3 performing services?
- 4 A. They could do it at any time.
- 5 Q. What is the industry standard for accepting a
- 6 recommended practice for an investigative or audit
- 7 engagement?
- 8 MR. HOLLEMAN:
- 9 Object to the form
- 10 WITNESS ANSWERS:
- 11 A. It's usually done before, but they can do it at
- 12 any particular time.
- 13 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 14 Q. How many staff of Greene and Company are currently
- working with you for your Anderson County
- 16 engagement?
- 17 A. One.
- 18 Q. And who is that person?
- 19 A. Judy, and I for got her last name. She's new, so
- 20 --
- 21 Q. Did she work with you when you a partner at Greene
- and Company?
- 23 A. No, she did not.
- 24 Q. Has she become employed with them since you left
- 25 Greene and Company?

- 1 A. Yes.
- 2 Q. Does Judy have a CPA license?
- 3 A. No.
- 4 Q. How many years of experience do you know, if you
- 5 know, that she has in this area?
- 6 A. I'm not totally sure. She's doing tabulation
- 7 work, so it doesn't require any particular
- 8 expertise -- I mean particular professional
- 9 requirements.
- 10 Q Are you reviewing her work?
- 11 A. Yes, I am
- 12 Q. Are you approving and checking her work before
- those tabulations are used?
- 14 A. Yes.
- 15 Q. Are you supervising her?
- 16 A. Yes.
- 17 Q. Is anyone else at Greene and Company reviewing her
- work or supervising her?
- 19 A. No.
- 20 Q. Does Judy have access to confidential information
- 21 pertaining to the investigation that you're doing?
- 22 A. Yes.
- 23 Q. What measures are Greene and Company taking that's
- 24 not listed in their engagement letter to protect
- 25 that confidentiality?

- 1 A. Everything is locked in a file room in the office
- 2 up there and also in Mr. Moore's office. And only
- 3 three keys exist.
- 4 Q. Has anyone had Judy sign a confidentiality
- 5 agreement?
- 6 A. I do not know.
- 7 Q. Has anyone had Greene and Company sign a
- 8 confidentiality agreement?
- 9 A. Do not know.
- 10 Q. Would they be governed by the AICPA standards?
- 11 A. They would be if it was an audit engagement, yes.
- 12 Q. Have you looked at their engagement letter?
- 13 A. No, I have not.
- 14 Q. But she's not a CPA, is she?
- 15 A. No, she is not.
- 16 Q. So as her supervising CPA -- which you're her
- 17 supervisor; is that correct?
- 18 A. I am reviewing what she does, yes.
- 19 Q. If she were to violate those standards, who would
- be responsible?
- 21 A. If she was to violate them, Greene and Company
- 22 would be -- and I would.
- 23 Q. And if you were responsible, would you be
- 24 personally responsible or would Anderson County be
- r esponsi bl e?

- 1 A. I would think Anderson County would be.
- 2 Q. Are you familiar with the new AICPA
- 3 recommendations about indemnification and
- 4 liability waivers?
- 5 A. No.
- 6 MR. HOLLEMAN:
- 7 Object to the form
- 8 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 9 Q. Is Anderson County an attest client of Greene and
- 10 Company?
- 11 MR. HOLLEMAN:
- 12 Object to the form
- 13 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 14 Q. Do you know what an attest client is?
- 15 A. Explain it to me, please.
- 16 Q. You understand what attest work is under the ALCPA
- 17 st andar ds?
- 18 A. Yes, I do.
- 19 Q. Is Anderson County an attest client of Greene and
- 20 Company?
- 21 A. No.
- 22 Q. Is Greene and Company performing audit work for
- 23 Anderson County?
- 24 A. No.
- 25 Q. Does Greene and Company undergo any kind of peer

- 1 review?
- 2 A. Yes.
- 3 Q What kind of peer review do they undergo?
- 4 A. The standard peer review we have every three
- 5 years.
- 6 Q. When was the last peer review done?
- 7 MR. HOLLEMAN:
- 8 Object to the form
- 9 WITNESS ANSWERS:
- 10 A. 2007, I think.
- 11 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 12 Q. Were there any findings in the peer review?
- 13 A. No.
- 14 Q. How many audits have you personally conducted or
- been involved with in the last three years?
- 16 A. Very few. I can't remember. I haven't done
- anything in 2008 or 2007; maybe done some in
- 18 2006.
- 19 Q. How many audits has Greene and Company been
- involved in up until the time you left them --
- 21 MR. HOLLEMAN:
- 22 Object to the form
- 23 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 24 Q -- in the three years prior to your --
- 25 A. Twenty-five, 30.

- 1 MR. HOLLEMAN:
- 2 I didn't understand the time frame. I couldn't
- 3 hear you.
- 4 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 5 Q. I understand that you're retired from Greene and
- 6 Company?
- 7 A. That's correct.
- 8 Q. And what was the date of your retirement?
- 9 A. June 30th.
- 10 Q. Of 2008?
- 11 A. Seven.
- 12 Q. Seven. So from June 30, 2004 to June 30, 2007,
- do you know how many audits Greene and Company
- 14 conduct ed?
- 15 A. Not particularly; probably 30 or more a year.
- 16 Q. And how many CPAs did they have at the time, in
- 17 that three-year period?
- 18 A. I don't know. We have three offices; 15-20.
- 19 Q. How many people are in the Belton office?
- 20 A. Four.
- 21 Q. Who are those people?
- 22 A. Diane Cowen and -- they all new, so -- so I don't
- really know the names.
- 24 Q. When you continue to work for Greene and Company
- as you said you've done some in 2009, what office

- 1 do you work out of?
- 2 A. Either one, either Anderson or Belton.
- 3 Q. You don't work out of the third office?
- 4 A. No. I do not work out of Greenville. Very seldom
- 5 have I ever worked out of Greenville.
- 6 Q. How is Greene and Company being paid by Anderson
- 7 Count y?
- 8 A. By check.
- 9 Q. Are they submitting invoices?
- 10 A. Yes, they are.
- 11 Q. Who's signing off on their invoices?
- 12 A. Mr. Moore.
- 13 Q. Who is approving their time?
- 14 A. Do not know.
- 15 Q You don't approve their time?
- 16 A. I don't approve it.
- 17 Q. And would Mr. Moore know what time they actually
- 18 put in?
- 19 A. If they wanted to submit a time sheet, they can.
- 20 Q. But they're not doing so at this time?
- 21 A. But they're not doing so.
- 22 Q. Are there any special ethical considerations that
- both you and Greene and Company are being careful
- about regarding the AICPA standards with this
- engagement?

- 1 MR. HOLLEMAN:
- 2 Object to the form
- 3 WITNESS ANSWERS:
- 4 A. We're trying to follow all the standards that we
- 5 -- the best we can.
- 6 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 7 Q. Well, isn't it a violation of your AICPA code for
- 8 both you and Greene and Company to be employed by
- 9 Anderson County --
- 10 MR. HOLLEMAN:
- 11 Object to the form
- 12 EXAM NATION RESUMED BY MS. KERN-FULLER:
- 13 Q. -- when you're the employee and they're the
- 14 vendor?
- 15 MR. HOLLEMAN:
- 16 Same objection.
- 17 WITNESS ANSWERS:
- 18 A. We're not doing a attest engagement here.
- 19 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 20 Q. What is an attest engagement?
- 21 A. That'd be an audit.
- 22 Q. So you're not performing an audit?
- 23 A. No.
- 24 Q. So when your legal counsel, Mr. Wilkins, said at
- the County Council meeting that you were

- 1 conducting a forensic audit, that was incorrect?
- 2 MR. HOLLEMAN:
- 3 Object to the form
- 4 WITNESS ANSWERS:
- 5 A. You have to define what forensic means.
- 6 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 7 Q. Doesn't a forensic audit have a specific meaning
- 8 within the AI CPA code?
- 9 A. Usually a forensic audit is along a certain narrow
- 10 sphere of investigation and it -- it's intense
- 11 along that narrow level.
- 12 Q. And that narrow level is defined by the
- predication, isn't it?
- 14 MR. HOLLEMAN:
- 15 Object to the form
- 16 WITNESS ANSWERS:
- 17 A. Or what they want -- somebody wants you to
- i nvest i gat e.
- 19 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 20 Q. Well, the somebody has to be a legal body in a
- 21 legal decision of what they want you to
- i nvest i gat e?
- 23 A. Right.
- 24 MR. HOLLEMAN:
- 25 Object to the form

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q. Is that correct?
- 3 MR. HOLLEMAN:
- 4 Same objection.
- 5 W TNESS:
- 6 Say the question again.
- 7 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 8 Q Sure. A forensic audit you say is done on a
- 9 narrow scope?
- 10 A. Right.
- 11 Q Is that correct?
- 12 A. Along with whatever somebody wants somebody to --
- 13 what ever they want somebody to investigate, yes.
- 14 Q. And when you're engaged by a County agency --
- 15 A. Right.
- 16 Q -- to do that investigation, it is what the County
- 17 agency defines as a legal body for you to do; is
- that correct?
- 19 MR. HOLLEMAN:
- 20 Object to the form
- 21 WITNESS ANSWERS:
- 22 A. Yes.
- 23 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 24 Q. So me, as an individual Council member, if I were
- a member of the Council, I couldn't just come and

- 1 say, "Mr. Daniel, I want you to forensically audit
- 2 it em A"?
- 3 MR. HOLLEMAN:
- 4 Object to the form
- 5 WITNESS ANSWERS:
- 6 A. They could, yes.
- 7 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 8 Q. And would you have to follow that instruction?
- 9 A. If it was what I considered proper or okay, I
- 10 would probably followit, yes.
- 11 Q. Under the forensic auditing rules, isn't it true
- that there must be some sort of predication before
- a forensic audit is engaged?
- 14 MR. HOLLEMAN:
- 15 Object to the form
- 16 WITNESS ANSWERS:
- 17 A. I'm not following necessarily the forensic County
- 18 rules. I'm following what ever the Council wants
- me to take a look at.
- 20 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 21 Q. So you are not doing a forensic audit?
- 22 MR. HOLLEMAN:
- 23 Object to the form
- 24 WITNESS ANSWERS:
- 25 A. Not technically, no.

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q. When an investigator is employed with the agency
- 3 they're investigating, is their objectivity
- 4 compromised?
- 5 MR. HOLLEMAN:
- 6 Object to the form
- 7 WITNESS ANSWERS:
- 8 A. I don't think so.
- 9 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 10 Q Is their independence compromised?
- 11 A. No.
- 12 Q. Are you a member of the South Carolina Association
- of Public Account ant s?
- 14 A. Yes, I am
- 15 Q. Is Greene and Company a member?
- 16 A. Yes.
- 17 Q. And you said already you're a member of Al CPA?
- 18 A. Yes, I am
- 19 Q. Is Greene and Company a member of that?
- 20 A. Yes.
- 21 Q. Did you discuss any evidence that you have found
- 22 with anyone other than County Council and your
- 23 legal counsel?
- 24 A. No. I may have discussed it with some of the
- 25 people at Greene and Company, but --

- 1 Q. What about other employees at Anderson County?
- 2 A. May have discussed some, yes.
- 3 Q. And has that discussion been in the context of an
- 4 investigation or in the context of sharing
- 5 information?
- 6 A. May have been sharing some information, asking a
- 7 question about what I looked at as to what their
- 8 thoughts on it were, yes.
- 9 Q. Did you ask someone if they thought that something
- 10 fraudul ent had occurred?
- 11 A. Did I ask that?
- 12 Q. Yes.
- 13 A. I don't think I've used the word, "fraudulent" on
- anything. I haven't used that term with anybody.
- 15 Q. Do you believe waste to be the same thing as
- 16 fraud?
- 17 A. Waste?
- 18 Q. Yes.
- 19 A. Not necessarily, no.
- 20 Q. And waste has a subjective quality to it, doesn't
- 21 it?
- 22 A. That's correct.
- 23 Q. And fraud has an objective legal quality to it,
- doesn't it?
- 25 A. That's correct.

- 1 Q In your role as an employee of Anderson County,
- 2 are you giving directives to staff of Anderson
- County, not staff of Greene and Company, but staff
- 4 of Anderson County?
- 5 A. No, not -- not other than ask for information.
- 6 Q And have you made statements that the staff of
- 7 Anderson County have been uncooperative?
- 8 MR. HOLLEMAN:
- 9 Object. I'm going to instruct the witness not to
- answer as to what he has told people about the
- investigation in response to this particular
- 12 quest i on.
- 13 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 14 Q. Outside of the investigation, have you told
- someone on Council or anyone else that the staff
- have been uncooperative?
- 17 MR. HOLLEMAN:
- 18 First of all, I object to the form It's not
- 19 clear who you're asking about. But apart from
- that, I instruct the witness not to answer because
- 21 you -- as you have worded the question, it
- includes members of Council, as well as I guess
- County officials or employees.
- 24 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 25 Q. Have you met with the County Council in any

- 1 fashion in a formal committee or Council as a
- whole since January 9, 2009?
- 3 A. No.
- 4 Q. How long do you anticipate your engagement to
- 5 last?
- 6 A. I don't know.
- 7 Q. Give me a minimum and a maximum.
- 8 A. I'm not going to do that.
- 9 Q. A year?
- 10 A. I don't know. No, no, no.
- 11 Q. Could it be as much as a year?
- 12 A. I hope not.
- 13 Q. Could it be?
- 14 A. I hope not.
- 15 Q. Could it be?
- 16 A. I guess it could, could be five years, but I -- I
- don't expect it to be.
- 18 Q. Have you given information about how much to be
- put in the budget after June 30, 2009 for your
- ser vi ces?
- 21 A. No.
- 22 MR. HOLLEMAN:
- 23 Object. I -- well, he's answered.
- 24 WITNESS:
- 25 I'm sorry.

- 1 MR. HOLLEMAN:
- 2 Go ahead. I mean ask the question.
- 3 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 4 Q. Have you prepared any reports other than the one
- 5 that is entered as Exhibit 3?
- 6 A. No.
- 7 Q. Is a report required for an investigative audit?
- 8 A. At some point, yes.
- 9 Q. And at what point will that report be provided?
- 10 A. When I'm through.
- 11 Q. But you have no idea when that will be?
- 12 A. No.
- 13 Q. And you have no idea whether that will be before
- 14 or after June 30, 2009?
- 15 A. I'm not going to commit to a date.
- 16 Q. And you understand a new budget cycle starts July
- 17 1st?
- 18 A. I'm well aware of that.
- 19 Q. Who is providing your legal representation as the
- investigative auditor?
- 21 A. Nexsen Pruet.
- 22 Q. If your objectivity or independence were
- compromised as a result of your direct employment
- by Anderson County, would it be appropriate for
- you to render a forensic opinion?

- 1 MR. HOLLEMAN:
- 2 Object to the form
- 3 WITNESS ANSWERS:
- 4 A. A forensic opinion?
- 5 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 6 Q. Yes, sir.
- 7 A. I don't know that I'm going to issue an opinion.
- 8 I'm not doing an opinion audit or review or
- anything else. I'm going to write what I see and
- 10 give that to them for information.
- 11 Q. But you already testified that the item that was
- marked as Exhibit 3 was not in accordance with any
- reporting standard, it was only your opinion.
- 14 MR. HOLLEMAN:
- 15 Object to the form
- 16 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 17 Q. Isn't that true?
- 18 MR. HOLLEMAN:
- 19 Same objection.
- 20 WITNESS ANSWERS:
- 21 A. I amissuing a report. It will be in
- 22 approximately the same form as what you see there
- at the end, and then I'll report what I saw and in
- cases, I may give a recommendation or I may just
- give it as information.

- 1 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 2 Q. Will your final report follow the reporting and
- 3 field work recommendations of the ALCPA?
- 4 A. No.
- 5 Q. Will it in the same form as Exhibit 3?
- 6 A. Probably.
- 7 Q As part of your engagement, have you taken any
- 8 efforts to understand what the job duties of the
- 9 person you're investigating are?
- 10 MR. HOLLEMAN:
- 11 Object to the form
- 12 EXAM NATION RESUMED BY MS. KERN-FULLER:
- 13 Q I can be more specific.
- 14 A. Yes.
- 15 Q. You said you were engaged to investigate the
- former administration; is that correct?
- 17 A. That's correct.
- 18 Q. Have you undertaken any steps to understand fully
- what the former County Administrator did?
- 20 A. I'min the process, yes.
- 21 Q. Did you ever prepare an audit plan before engaging
- in this audit?
- 23 A. No.
- 24 Q. Did Greene and Company prepare an audit plan?
- 25 A. We're not doing an audit.

- 1 Q Did you prepare an investigation plan?
- 2 A. I have an investigation plan, yes.
- 3 Q. Is it written?
- 4 A. Yes.
- 5 Q. And was it provided to the County?
- 6 A. We discussed it, yes.
- 7 Q. Have you provided your written investigation plan
- 8 to the County?
- 9 A. I have not formally did an investigation. I do
- have what areas we're going to be looking at, and
- we did that on January the 9th.
- 12 Q. And was that provided to the committee?
- 13 A. The committee sawit, yes.
- 14 Q. The committee saw the written document?
- 15 A. Saw a sheet what -- the areas we were going to
- 16 look at. We discussed it.
- 17 Q. Did you give each member of the committee a copy?
- 18 A. No, I did not.
- 19 Q. And was that done in open session or executive
- 20 sessi on?
- 21 A. Executive session.
- 22 Q. Isn't preparing and following a plan considered to
- be an accepted practice by CPAs?
- 24 MR. HOLLEMAN:
- 25 Object to the form

- 1 WITNESS ANSWERS:
- 2 A. I have set up the way we were going to approach
- 3 it. We did not formalize it in a lot of written
- 4 documents, no, but they know generally the areas
- that we're going to be looking at.
- 6 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 7 Q. Is one of the areas that you have been instructed
- 8 to look at employees that need to be terminated?
- 9 MR. HOLLEMAN:
- 10 Objection. Don't answer the question. I instruct
- the witness not to answer the question.
- 12 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 13 Q. Do you consider employees that should be
- terminated part of the job of a County budget
- analyst and chief financial investigator?
- 16 MR. HOLLEMAN:
- 17 Same objection. Don't answer the question. I'm
- instructing him not to answer it.
- 19 EXAM NATI ON RESUMED BY MS. KERN-FULLER:
- 20 Q. Are you performing a full investigative audit of
- 21 all departments or just selected departments?
- 22 MR. HOLLEMAN:
- Wait just a minute. I'm going to instruct the
- 24 witness not to answer that question as to what he
- is or isn't investigating.

		11	U
1	MS.	KERN- FULLER:	
2		Well, at this point, we have several issues that	
3		we need to discuss. And I'm going to leave your	
4		deposition open until the Judge can rule on it,	
5		and we'll take this matter up with the Judge	
6	W TNESS:		
7		Okay.	
8	MR.	HOLLEMAN:	
9		I understand that's counsel's position. I'm not	
10		arguing with her position, I just want to state	
11		for the record we don't agree that the deposition	
12		is open because we don't believe the few questions	
13		I instructed him not to answer are proper	
14		questions, and that's all. I don't have any	
15		quest i ons.	
16	(DE	POSITION ADJOURNED AT 10:48 A.M.)	
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## CERTI FI CATE

I, the undersigned, Sheila B. Smith, CVR-CM,
Notary Public in and for the State of South Carolina,
do hereby certify that the foregoing deposition was
taken on the aforementioned date;

That the within deponent was sworn to tell the truth, and that the foregoing is an accurate transcription of the testimony taken under oath;

That all exhibits entered herein are attached hereto (if requested by counsel) and made a part of this deposition.

I further certify that I am neither counsel nor solicitor to any of the parties in said suit, nor interested in the event of the cause.

In witness whereof, I have hereunto set my hand and seal this 17th day of March, 2009.

\_\_\_\_\_

Sheila B. Smith, CVR-CM

Notary Public for South Carolina

My Commission Expires: 3/9/2014