

**STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND**

**BEFORE THE CHIEF PROCUREMENT
OFFICER**

In Re: Rule to Show Cause

DECISION

Mr. Gregory McDonald, and
McDonald's Tree Service

CASE NO.: 2021-119

POSTING DATE: December 14, 2020

Respondents

MAILING DATE: December 14, 2020

The South Carolina Consolidated Procurement Code (the "Code") authorizes the Chief Procurement Officer (CPO) to debar or suspend persons from contracting with the State:

After reasonable notice to the person or firm involved, and a reasonable opportunity for that person or firm to be heard, the appropriate chief procurement officer has the authority to debar a person for cause from consideration for award of contracts or subcontracts if doing so is in the best interest of the State and there is probable cause for debarment. The appropriate chief procurement officer also may suspend a person or firm from consideration for award of contracts or subcontracts during an investigation where there is probable cause for debarment. The period of debarment or suspension is as prescribed by the appropriate chief procurement officer.

S.C. Code Ann. § 11-35-4220(1).

BACKGROUND

On October 23, 2020, the South Carolina Department of Transportation (DOT) requested debarment of McDonald's Tree Service. (Attachment 1) DOT advised the Chief Procurement Officer ("CPO") that the South Carolina Law Enforcement Division (SLED) had concluded an investigation of Mr. Gregory McDonald and McDonald's Tree Service finding that Mr. McDonald had paid two DOT employees cash money for selecting McDonald Tree Service to clear trees from highway right of ways. According to the SLED investigation report, Mr. McDonald admitted making cash payments to the DOT employees and the DOT employees admitted receiving those cash payments. (Attachment 2)

DETERMINATION

Section 11-35-4220(2) sets forth a non-exclusive list of causes for debarment that includes:

(2) Causes for Debarment or Suspension. The causes for debarment shall include, but

Decision, page 1

In the Matter of the Suspension of McDonald Tree Service and Mr. Gregory McDonald

not be limited to:

(f) violation of the Ethics, Government Accountability, and Campaign Reform Act of 1991, as amended, as determined by the State Ethics Commission, as an incident to obtaining or attempting to obtain a public contract or subcontract, or in the performance of the contract, or subcontract; and

(g) any other cause the appropriate chief procurement officer determines to be so serious and compelling as to affect responsibility as a state contractor or subcontractor, including debarment by another governmental entity for any cause listed in this subsection.

S.C. Code Ann. Regulation 19-445.2125 sets forth the State's Standards of Responsibility. Among other things, the regulation requires that a contractor have a satisfactory record of integrity. Integrity is the quality of being honest and fair. Making a payment to a public employee as a reward for their help obtaining a contract is a kickback, a bribe, that is illegal and demonstrates a lack of integrity. The CPO finds that probable cause exists for suspension or debarment.

Section 11-35-4220(1) also requires the CPO find that the best interest of the State will be served by suspension or debarment. Because of the serious nature of debarment and suspension, these sanctions should be imposed for the State's protection, and not for purposes of punishment.

The Federal Acquisition Regulations are not binding in any way on the CPO, nor applicable to proceedings under the Code. They may, however, provide some guidance, particularly in areas where the CPO and the Procurement Review Panel have published little in the way of decisional authority.¹

FAR § 9.406-1(a) provides in part:

It is the debarring official's responsibility to determine whether debarment is in the Government's interest.... The existence of a cause for debarment, however, does not necessarily require that the contractor be debarred; the seriousness of the contractor's acts or omissions and any remedial measures or mitigating factors should be considered in making any debarment decision. Before arriving at any debarment decision, the debarring official should consider factors such as the following:

(4) Whether the contractor cooperated fully with Government agencies during the investigation and any court or administrative action.

¹ The panel has published two substantive debarment decisions since its establishment in 1981: *Appeal by Megg Corp. of Greenville*, Panel Case No. 1994-7; and *Appeal by TAC 10, Inc.*, Panel Case No. 2012-2.

(5) Whether the contractor has paid or has agreed to pay all criminal, civil, and administrative liability for the improper activity, including any investigative or administrative costs incurred by the Government, and has made or agreed to make full restitution.

(10) Whether the contractor's management recognizes and understands the seriousness of the misconduct giving rise to the cause for debarment and has implemented programs to prevent recurrence.

On November 18, 2020, the CPO gave notice to Mr. McDonald and McDonald's Tree Service through certified mail, sending them a copy of the request for debarment and a letter regarding the same. (Attachment 3). The letter invited Mr. McDonald and McDonald's Tree Service to provide any information or evidence in response to the request by the close of business on November 30, 2020. As of the date of this decision, neither Mr. McDonald nor McDonald's Tree Service has acknowledged the offer to respond the requested debarment and there is no indication whatsoever that they recognize the seriousness of their misconduct.

Accordingly, the Chief Procurement Officer finds that it is in the best interest of the State that Mr. Gregory McDonald and McDonalds Tree Service, be DEBARRED for a period of three years.

For the Material Management Office



Michael B. Spicer
Chief Procurement Officer



South Carolina
Department of Transportation

Barbara M. Wessinger,
Chief Counsel

Assistant Chief Counsel(s):
Randolph E. Carothers, IV
Paul D. de Holczer
Natalie J. Moore
Amanda T. Taylor
Linda C. McDonald

October 23, 2020

CONFIDENTIAL COMMUNICATION – §30-4-40(3)

VIA EMAIL ONLY (mspicer@mmd.sc.gov)

Mr. Michael Spicer
Chief Procurement Officer
Material Management Office
1201 Main Street, Suite 601
Columbia, SC 29201

Re: Request for Debarment
Vendor – State Contracts – McDonald Tree Service

Dear Mr. Spicer:

Pursuant to Regulation 19-445.2000(D), Duty to Report Violations, improper or illegal conduct regarding a procurement governed by the consolidated procurement code has come to the attention of the South Carolina Department of Transportation (SCDOT). SCDOT is making this information known to you in your capacity as Chief Procurement Officer. Enclosed you will find a report of the South Carolina Law Enforcement Division's (SLED) investigation into this matter.

Earlier this year it came to the attention of SCDOT's legal counsel that at least two employees were enriching themselves by directing work to McDonald Tree Service and then receiving cash. It appears the employees involved used their State Purchasing Cards (P-Cards) to pay for work completed by McDonald Tree Service. McDonald Tree Service would, in turn, give undetermined cash amounts to the employee(s). At some point, one of the employees revealed this to another employee and that employee informed SCDOT's legal counsel. Our Chief Counsel at the time, Linda McDonald, contacted SLED and an investigation ensued.

During the course of the SLED investigation both the employees involved and McDonald Tree Service admitted the allegations were true. SCDOT subsequently took action against its employees. One employee was fired and the other was suspended for five days without pay and their P-Card privileges were revoked. It is SCDOT's understanding that prosecution was not pursued against McDonald Tree Service, as a firm dollar amount could not be established. SCDOT considers any fraud, no matter how slight, to be a matter of significant gravity. We are therefore reporting this matter to you.

Post Office Box 191
955 Park Street, Suite 343
Columbia, SC 29202-0191
803-737-1347 | 803-737-2071 Fax



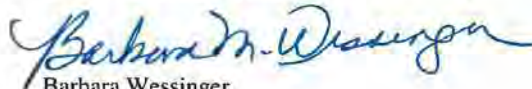
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SCDOT remains committed to reporting and preventing procurement fraud and protecting the integrity of the public procurement process. SCDOT understands that while no prosecution was filed in this matter, the individuals involved did admit wrongdoing during the investigation. Based on the above information and the attached investigation we ask that you consider debarment of McDonald Tree Service and Gregory McDonald, its owner, from consideration for award of contracts and subcontracts per Section 11-35-4220(g), S.C. Code of Laws, as the above matter is serious and compelling and affects the responsibility of the vendor as a state contractor or subcontractor.

Sincerely,



Darrin Player
Chief Procurement Officer



Barbara Wessinger
Chief Counsel
SCDOT
PO Box 191
Columbia, SC 29202
(803) 737-1348

DP/dp

cc: Justin Powell, Deputy Secretary for Finance
Emmett Kirwan, Director of Procurement

Enclosure: SLED Investigative Report

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SOUTH CAROLINA LAW ENFORCEMENT DIVISION



INVESTIGATIVE FILE



**South Carolina
Law Enforcement Division**

P.O. Box 21398
Columbia, South Carolina
29221-1398

Henry D. McMaster, Governor

Mark A. Keel, Chief

Tel: (803) 737-9000

March 27, 2020

INVESTIGATIVE REPORT

To: 33-19-0010
From: Special Agent Clemson Wright
RE: Embezzlement of Public Funds
Department of Transportation (Complainant)
Laverne Williamson (Subject)
Perry James (Subject)
Gregory McDonald (Subject)
County: Darlington

Introduction

On January 29, 2019, the South Carolina Law Enforcement Division (SLED) received a request from South Carolina Department of Transportation (SCDOT) Chief Counsel Linda McDonald to investigate allegations of SCDOT employees misusing SCDOT issued credit cards. SLED Captain Johnnie Abraham assigned SLED Special Agent (S/A) Clemson Wright and S/A Bradley Thompson to investigate the allegations.



An Accredited Law Enforcement Agency



Summary

On January 29, 2019, Chief Counsel McDonald provided SLED with a letter composed by James McGonigal, a SCDOT employee who works in Darlington County, SC. McGonigal alleged that Leverne Williamson, also a SCDOT employee, approached him in reference to a credit card issued to him (McGonigal) by SCDOT. Williamson told McGonigal not to pay for tree removals requested by Perry James, another SCDOT employee. Williamson further told McGonigal that James and former SCDOT employee Randy Smalls arranged for him to pay for tree removals that did not occur, and the funds allocated to pay for the service were split between Smalls, James and the vendor, Gregory McDonald. Gregory McDonald still provided cash money to James if a tree was actually removed. Williamson informed McGonigal that they intentionally kept the price of the services under \$ 2,500.00 to avoid filing purchase orders (PO) through SCDOT. McGonigal told Williamson to report the incident to the proper authorities, and McGonigal later sent a letter to Chief Counsel McDonald (**Attachment 1**). Chief Counsel McDonald also provided electronic copies of Bank of America bank statements and invoices maintained by SCDOT. The invoices were provided by McDonald's Tree Services for transactions (**Attachment 2**).

On March 16, 2019, S /A Wright and S /A Kyle Radford interviewed James E McGonigal at the SLED Pee Dee Regional Office in Florence, SC. The interview was audio/video recorded (**Attachment 3**). S/A Wright completed a Memorandum of Interview, which is also contained in Attachment 3. McGonigal provided the following information: Around the beginning of December 2018, SCDOT Foreman Leverne Williamson approached McGonigal and stated that he needed to speak to him regarding an SCDOT Credit Card that he (McGonigal) was recently issued. Foreman Williamson told McGonigal not to make any payments for tree removals at the request of SCDOT Foreman Perry James. Foreman Williamson further stated that James and former SCDOT Foreman Randy Smalls had trapped him (Foreman Williamson). Foreman Williamson told McGonigal that he (Foreman Williamson) was instructed to pay for services provided by McDonald's Tree Service. Foreman Williamson learned that in some cases,

the services that he paid for were not provided. The funds allocated were divided between Foreman James and Gregory McDonald, the owner of McDonald's Tree Service. If services were provided, Foreman James would divide a lesser amount of cash with Gregory McDonald. *Agent's Note: McGonigal did not know the amount of cash divided between Foreman James and Gregory McDonald.* Foreman Williamson had received a \$500.00 dollar payment from Gregory McDonald as well. McGonigal told Foreman James that he should report the information to the proper authorities. In addition, McGonigal provided Foreman Williamson with contact numbers for law enforcement. During an SCDOT meeting, SCDOT Foremen in possession of SCDOT issued credit cards were instructed to assist Foreman James with payments for tree removals if requested to do so by Foreman James. McGonigal asked Foreman Williamson if he reported the information, and Foreman Williamson said that he prayed over the issue and gave the money back. McGonigal reported the information to Chief Counsel McDonald. The institution issuing the SCDOT credit cards is Bank of America, and the maximum purchase amount on the card for a one-time purchase is \$2,500.00. McGonigal never paid for any tree removal services while employed with SCDOT.

On February 4, 2019, S/A Wright and SLED Lieutenant (Lt.) Stephen Howell interviewed Leverne Williamson at the SLED Pee Dee Regional Office in Florence, SC. The interview was audio/video recorded (**Attachment 4**). Williamson waived his Miranda Rights by signing a SLED Waiver of Miranda Rights Form. S/A Wright completed a Memorandum of the Interview; both are contained in Attachment 4. Williamson provided the following information: Williamson is employed with SCDOT, in Darlington County as a Sign Foreman. Foreman Williamson has been employed with SCDOT for thirty-five years. Foreman Williamson's primary responsibility with SCDOT is maintaining signs for state maintained roads and signs for other SCDOT crews. Foreman Williamson was issued a SCDOT Credit Card when he took the position of Foreman, around 2009. The SCDOT Credit Card was for procurement reasons and was issued to select foremen with SCDOT. Foreman James approached Foreman Williamson in December of 2017 and asked him to pay McDonald's Tree Service for the removal of a tree. Foreman James had reached his spending limit on his SCDOT Credit Card to pay

for the removal of the tree. Gregory McDonald came to Foreman Williamson's home to receive the payment. Foreman Williamson made a payment of \$2,490.00 dollars from his SCDOT Credit Card to Gregory McDonald, and Gregory McDonald gave him \$200.00 dollars cash. Gregory McDonald told Foreman Williamson that the money was for bringing him business and that he does the same thing for Foreman James. Foreman James contacted Foreman Williamson and asked him to pay for the removal of a tree again, around the end of January 2019. Foreman Williamson met with Gregory McDonald at Nazareth Apostolic Church, in Hartsville, on January 26, 2019. Foreman Williamson paid Gregory McDonald with his SCDOT issued credit card, in person, and McDonald attempted to give him \$200.00 dollars cash. Initially, Foreman Williamson refused to take the money. When he refused to take the money directly from Gregory McDonald, Gregory McDonald dropped the money on the ground. After Gregory McDonald left the money on the ground, Foreman Williamson picked it up and kept it. Foreman Williamson recalled another incident where he paid Gregory McDonald for the removal of a tree during the winter months of 2018. Foreman Williamson took \$200 dollars cash money that Gregory McDonald left on the ground during that occasion as well. Gregory McDonald presented pictures to Foreman Williamson of the trees that were allegedly removed, but Foreman Williamson never physically saw any of the trees. Gregory McDonald kept his price of service below \$2,500.00 to avoid a procurement order. Gregory McDonald supplied a receipt for his services rendered, and Foreman Williamson would give it to his SCDOT Liaison, Beverly Hammond. It was the responsibility of SCDOT Resident Maintenance Engineer Edward "Roy" Parnell and SCDOT Assistant Resident Maintenance Engineer Kevin Williams to insure that services were actually performed. Payments for services were made after the job had been performed. Foreman Williamson informed McGonigal about the situation with McDonald's Tree Service. Foreman Williamson also recalled paying Gregory McDonald for a tree removal for former SCDOT Foreman Randy Smalls. Additionally, he paid Burgess' Tree Service once for Foreman James with his a SCDOT issued Credit Card. Foreman Williamson was not offered any money, personally, on either occasion.

On April 24, 2019, S/A Wright and SLED S/A Kyle Radford interviewed Foreman

Williamson a second time at the SLED Pee Dee Regional Office in Florence, S.C. The interview was audio/video recorded and this recording is included in Attachment 4. S/A Wright added the additional information for the second interview to the original Memorandum of Interview in Attachment 4. Foreman Williamson provided the following additional information: He did not recall how many times he paid McDonald Tree Service with his SCDOT issued Credit Card. *Agent's Note: Bank of America Statements provided by SCDOT reflect that Foreman Williamson paid for services on ten occasions.* Foreman Williamson did not receive money, personally, for every transaction that he made with McDonald Tree Service, only the three occasions previously mentioned. Foreman Williamson told McGonigal that he believed Foreman James was paying Gregory McDonald for services that were not rendered, and Foreman James and Gregory McDonald were dividing the money among themselves. Foreman Williamson believed this was true because Gregory McDonald mentioned during a conversation that Foreman James wanted him to cut down imaginary trees. Foreman Williamson told Gregory McDonald not to tell him anymore about the imaginary trees. Foreman Williamson understood Gregory McDonald's mention of an imaginary tree to be a tree that did not exist. Gregory McDonald also mentioned that Foreman James would come to him two to three times a week to cut down imaginary trees. Foreman Williamson did not have direct knowledge of any specific occasions where services were paid for by SCDOT, but were not actually rendered. Altogether, Foreman Williamson collected six hundred dollars cash from Gregory McDonald. Foreman Williamson paid Gregory McDonald for services with his SCDOT Credit Card once on behalf of Foreman Smalls, and Gregory McDonald did not offer him any money on that occasion.

On March 3, 2019, SA Wright and S/A Thompson interviewed Gregory McDonald at the Hartsville Memorial Library, located at 147 west College Avenue, Hartsville, S.C. The interview was audio/video recorded (**Attachment 5**). Gregory McDonald waived his Miranda Rights and signed a SLED Waiver of Miranda Rights Form. S/A Wright completed a Memorandum of Interview, and the Memorandum of Interview and the SLED Waiver of Miranda Rights Form are included in Attachment 5. Gregory McDonald took over McDonald's Tree Service after the death of his father, Nathaniel

McDonald. Foreman Smalls approached Gregory McDonald and asked him if he was still in the business of removing trees. Gregory McDonald told Foreman Smalls that he was the owner and operator of McDonald's Tree Service. Gregory McDonald started conducting business with SCDOT through Foreman Smalls between 2012 to 2014. Foreman Smalls would notify Gregory McDonald of the location of trees that needed to be removed, and Gregory McDonald would provide an estimate for the cost of the removal. If the amount was under \$2,500, Gregory McDonald was allowed to provide the service. If the cost exceeded \$2,500, the job was made available for bid to other tree removal businesses. After Foreman Smalls retired, Foreman James took his position. Foreman James would mark trees in need of removal with a ribbon and provide Gregory McDonald with the location. Gregory McDonald would go to the site and provide an estimate. If approved by Foreman James, Gregory McDonald would remove the tree, take a picture of the finished work, and send the picture via text message to Foreman James. Services were requested for trees that were dead and/or near a roadway and created a potential danger to the public traveling on the roadway. Between 2016 to 2017, tree removal payments were made through a purchase order. Gregory McDonald spoke to Foreman Smalls about using his SCDOT Credit Card to pay for services, so he (Gregory McDonald) could receive his money faster. Gregory McDonald and Foreman Smalls started conducting businesses by scanning Foreman Smalls' SCDOT Credit Card through Gregory McDonald's Wachovia credit card scanner. Foreman James continued using his SCDOT Credit Card to pay for services after taking Foreman Smalls' position. Gregory McDonald removed about two trees a month for SCDOT, and he issued invoices for the services he provided to the individual making the payment. When Foreman James reached his spending limit with his SCDOT issued Credit Card, Foreman Williamson paid Gregory McDonald for services. Gregory McDonald offered cash money to both Foreman James and Foreman Williamson. Foreman James and Foreman Williamson did not accept the cash money directly, but Gregory McDonald threw the money on the ground next to them or threw the money into their vehicles. The amount of cash money would vary from one to two hundred dollars. Gregory McDonald never charged SCDOT or used a SCDOT issued Credit Card for the removal of a tree that did not take place, in order to gain money.

On June 21, 2019, S/A Wright and S/A Radford interviewed Gregory McDonald a second time at the SLED Pee Dee Regional Office in Florence. The interview was audio/video recorded and is included in Attachment 5. S/A Wright added the additional information to the original memorandum of interview. Gregory McDonald provided the following additional information: Gregory McDonald still conducts business with the SCDOT Darlington Office; however, the volume of work had decreased since the first interview. Gregory McDonald gave cash money to either Foreman James or Foreman Williamson every other time he conducted business with them. The money was left in their vehicles or dropped close to them. Neither Foreman James nor Foreman Williamson attempted to return any cash money given to them by Gregory McDonald. Gregory McDonald copied old invoices to create new invoices. In doing so, he (Gregory McDonald) unintentionally caused discrepancies between invoice dates and Bank of America bank statement dates. On occasions, Foreman Smalls paid for services one to two weeks after services were provided when Foreman Smalls had reached his spending limit with his SCDOT Credit Card. This also created discrepancies between invoices and Bank of America bank statements. Gregory McDonald utilizes a crew of four to six employees. Their names are William McDonald, Arnold Bishop, Wayne Dolford, Christopher McDonald, and Timothy Prince. Gregory McDonald's pay for his crewmembers ranged from two hundred to sixty dollars per job, based on their job assignment during the services. Gregory McDonald believes he conducted business with Foreman Williamson approximately ten times.

On March 7, 2019, S /A Wright and S /A Thompson interviewed Perry James at the SLED Pee Dee Regional Office in Florence, S.C. The interview was audio and video recorded (**Attachment 6**). James waived his Miranda Rights and signed a SLED Waiver of Miranda Rights Form. S/A Wright completed a Memorandum of Interview. The SLED Waiver of Rights Miranda Form and the Memorandum of Interview are contained in Attachment 6. James is a General Foreman for Darlington SCDOT. A part of Foreman James' job responsibility is to ensure the safety of roadways in Darlington County by removing dead trees that have a potential of falling in the roadway. SCDOT

crews remove smaller trees, if the removal can be done safely. Because of the equipment used by Darlington County SCDOT, larger trees are not safe for removal. Falling parts from these trees pose a potential risk of injury or death to workers using backhoe tractors, which have plastic tops. Supervisors Edward “Roy” Parnell and Kevin Williams also selected trees for removal. McDonald’s Tree Service is one of the tree services that Foreman James uses to remove trees. Foreman James contacts Gregory McDonald and marks the trees that need to be removed. Gregory McDonald then provides an estimate on the services to be completed. The estimate is usually under \$2,500.00 to avoid the service being placed up for bid. Foreman James has asked Foreman Williamson to have trees removed, and Foreman Williamson used his SCDOT Credit Card to pay for the removal of trees. Foreman James has never participated in any incident where he and Gregory McDonald charged a SCDOT issued Credit Card and divided the money between themselves. Foreman James visually inspected all work performed by McDonald’s Tree Service and other vendors to ensure the work was done properly. Foreman James has never received any payments or gifts from Gregory McDonald. The only documentation that Foreman James kept for tree removal services were receipts provided by the vendors.

On September 23, 2019, S/A Wright and S/A Thompson interviewed Perry James a second time at the SLED Pee Dee Regional Office in Florence, S.C. The interview was audio/video recorded and is included in Attachment 6. S/A Wright added the additional information to the original memorandum of interview. Foreman James provided the following additional information: Foreman James was unaware of any discrepancies between invoices provided by Gregory McDonald and Bank of America bank statements for the SCDOT Credit Cards. Foreman James never paid for services in advance of work being completed, and he never paid for services the following month after the work was completed. Foreman Williamson confessed to Foreman James that he took cash money that Gregory McDonald left for him on the ground, after initially refusing the money. Foreman James has received money from McDonald that was left on the ground in the amounts of twenty to thirty dollars in cash. *Agent’s Note: Foreman James initially denied receiving any money from Gregory McDonald. Foreman James later stated that*

he received cash money from Gregory McDonald approximately three times. Finally, Foreman James stated that he was unsure how many times he received money from Gregory McDonald. Foreman James maintained that he never used a SCDOT issued Credit Card to pay for services that were not rendered, thereby defrauding SCDOT.

On July 10, 2019, S/A Wright and S/A Thompson interviewed Edward “Roy” Parnell at the SLED Pee Dee Regional Office in Florence, S.C. The interview was audio/video recorded (**Attachment 7**). S/A Wright completed a Memorandum of Interview, which is also included in Attachment 7. Parnell is a Resident Maintenance Engineer (RME) with SCDOT in Darlington County. RME Parnell oversees the operations of the SCDOT Darlington Office. RME Parnell also oversees the work of Foreman Williamson and Foreman James; however, their direct supervisor is Kevin Williams. Foreman Smalls has previously worked under RME Parnell and was supervised by Williams. Foreman James and Foreman Williamson both have SCDOT issued Credit Cards. Foreman Smalls also had a SCDOT issued credit card when he was a foremen with SCDOT. A part of Foreman James’ job responsibility is the removal of trees that pose a threat to highway safety. Foreman Williamson has paid for the removal of trees to assist Foreman James when he reached his monthly spending limit on his SCDOT Credit Card. Foreman James’ SCDOT issued credit card is limited to \$2,500 for a single purchase and \$10,000 per month cumulative. Foreman James contacts RME Parnell prior to having trees removed. Foreman James makes any services over \$2,500 available for bids to tree service removal companies. Foreman James does conduct business with McDonald’s Tree Service on behalf of Darlington County SCDOT. RME Parnell has never met any representatives of McDonald’s Tree Service. Foreman James is responsible for obtaining bids from vendors before selecting the best vendor to render tree removal services. Foreman James is also responsible for inspecting the completed work done by tree service companies, and ensuring that the work is done properly. RME Parnell noticed a higher volume of tree removals in recent years, but he attributed the issue to be the result of recent natural disasters, such as hurricanes and floods. RME Parnell has not seen or heard of any SCDOT employees receiving money from vendors or engaging in any illegal activity. RME Parnell also has not noticed any suspicious activity with regard to

tree removals, other than being contacted by SLED to be interviewed.

On July 10, 2019, S/A Wright and S/A Thompson interviewed Kevin Williams at the SLED Pee Dee Regional Office in Florence S.C. The interview was audio/video recorded (**Attachment 8**). S/A Wright completed a Memorandum of Interview, which is also contained in Attachment 8. Williams is the Assistant Resident Maintenance Engineer (ARME) with the SCDOT Darlington Office. ARME Williams currently supervises Foreman James and Foreman Williamson. ARME Williams also previously supervised former SCDOT Foreman Smalls. ARME Williams has no relationship with Foremen James, Williamson, or Smalls outside of SCDOT. As a part of his job, ARME Williams compares receipts and invoices submitted by Foreman James and Foreman Williamson to their Bank of America bank statements. ARME Williams has never heard any information pertaining to the misuses of the SCDOT Credit Cards. In addition, ARME Williams has not witnessed any suspicious activities with the receipts and Bank of America bank statements. ARME Williams does not inspect the work performed by any of the tree service companies. The particular foreman requesting and paying for the service performs all inspections. The foremen were responsible for submitting receipts and invoices. Foreman Williamson mentioned paying for the removal of a tree with his SCDOT card, but ARME Williams did not go into details with Foreman Williamson. SCDOT foremen who were issued SCDOT Credit Cards could pay for any items needed by SCDOT, even if it was outside of their job description.

S/A Wright spoke to Foreman Smalls by phone on December 4, 2019, and he agreed to be interviewed; however, Foreman Smalls never called back to verify a time for the interview. On March 17, 2020, S/A Wright attempted to contact Foreman Smalls, again, and Foreman Smalls did not respond to the phone call.

Conclusion

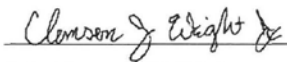
The following statements are based upon facts obtained during the investigation:

- Gregory McDonald is the owner of McDonald's Tree Service and conducts

business with the SCDOT Darlington Office.

- Perry James and Leverne Williamson are both employed by SCDOT as foremen and have conducted business with Gregory McDonald.
- Foreman James and Foreman Williamson have made payments to Gregory McDonald for tree removals with the SCDOT issued Credit Cards.
- Gregory McDonald admitted to giving cash money to both Foreman James and Foreman Williamson. The cash money was paid to Foreman James and Foreman Williamson after Gregory McDonald received payment from SCDOT. The money was paid to Foreman James and Foreman Williams for selecting his business to provide services to SCDOT. *Agent's Note: The amount of cash payments vary according to individual statements.*
- Foreman James and Foreman Williamson admitted to receiving cash money from Gregory McDonald after making Credit Card payments to Gregory McDonald on behalf of SCDOT. *Agent's Note: The amount of cash payments vary according to individual statements.*
- Foreman Williamson believed Foreman James and Gregory McDonald were charging SCDOT issued Credit Cards for tree removals that were never performed and then splitting the money obtained by Gregory McDonald for the work. *Agent's Note: S/A Wright did not find any evidence or obtain any statement to support Foreman Williamson's belief.*

This report will be submitted to the proper prosecutorial authority for review.


S/A Clemson J Wright

HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES

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CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

November 18, 2020

Mr. Gregory McDonald
McDonald's Tree Service
PO Box 517
Hartsville, South Carolina, 29551

Dear Mr. McDonald,

I am the Chief Procurement Officer for the State of South Carolina. I have received a report from the South Carolina Law Enforcement Division and a request from the South Carolina Department of Transportation that McDonald's Tree Service be debarred from conducting business with agencies of the State of South Carolina under Section 11-35-4220 of the South Carolina Consolidated Procurement Code. Attached in an order suspending you and McDonald's Tree Service from consideration of contract awards pending finalization of my review of the facts in this matter which includes an invitation for you to respond to the request for debarment. If you wish to provide information or evidence in response to the request for debarment, please provide it to me by November 30, 2020.

Sincerely,

Michael B. Spicer
Chief Procurement Officer

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11/18/2020

STATEMENT OF RIGHT TO FURTHER ADMINISTRATIVE REVIEW

Suspension and Debarment Appeal Notice (Revised May 2020)

The South Carolina Procurement Code, in Section 11-35-4220, subsection 5, states:

(5) Finality of Decision. A decision pursuant to subsection (3) is final and conclusive, unless fraudulent or unless the debarred or suspended person requests further administrative review by the Procurement Review Panel pursuant to Section 11-35-4410(1), within ten days of the posting of the decision in accordance with Section 11-35-4220(4). The request for review must be directed to the appropriate chief procurement officer, who shall forward the request to the panel, or to the Procurement Review Panel, and must be in writing, setting forth the reasons why the person disagrees with the decision of the appropriate chief procurement officer. The person also may request a hearing before the Procurement Review Panel. The appropriate chief procurement officer and any affected governmental body must have the opportunity to participate fully in any review or appeal, administrative or legal.

Copies of the Panel's decisions and other additional information regarding the protest process is available on the internet at the following web site: <http://procurement.sc.gov>

FILING FEE: Pursuant to Proviso 111.1 of the 2020 General Appropriations Act, "[r]equests for administrative review before the South Carolina Procurement Review Panel shall be accompanied by a filing fee of two hundred and fifty dollars (\$250.00), payable to the SC Procurement Review Panel. The panel is authorized to charge the party requesting an administrative review under the South Carolina Code Sections 11-35-4210(6), 11-35-4220(5), 11-35-4230(6) and/or 11-35-4410...Withdrawal of an appeal will result in the filing fee being forfeited to the panel. If a party desiring to file an appeal is unable to pay the filing fee because of financial hardship, the party shall submit a completed Request for Filing Fee Waiver form at the same time the request for review is filed. *[The Request for Filing Fee Waiver form is attached to this Decision.]* If the filing fee is not waived, the party must pay the filing fee within fifteen days of the date of receipt of the order denying waiver of the filing fee. Requests for administrative review will not be accepted unless accompanied by the filing fee or a completed Request for Filing Fee Waiver form at the time of filing." PLEASE MAKE YOUR CHECK PAYABLE TO THE "SC PROCUREMENT REVIEW PANEL."

LEGAL REPRESENTATION: In order to prosecute an appeal before the Panel, business entities organized and registered as corporations, limited liability companies, and limited partnerships must be represented by a lawyer. Failure to obtain counsel will result in dismissal of your appeal. *Protest of Lighting Services*, Case No. 2002-10 (Proc. Rev. Panel Nov. 6, 2002) and *Protest of The Kardon Corporation*, Case No. 2002-13 (Proc. Rev. Panel Jan. 31, 2003); and *Protest of PC&C Enterprises, LLC*, Case No. 2012-1 (Proc. Rev. Panel April 2, 2012). However, individuals and those operating as an individual doing business under a trade name may proceed without counsel, if desired.

**South Carolina Procurement Review Panel
Request for Filing Fee Waiver
1105 Pendleton Street, Suite 202, Columbia, SC 29201**

Name of Requestor

Address

City

State

Zip

Business Phone

1. What is your/your company's monthly income? _____

2. What are your/your company's monthly expenses? _____

3. List any other circumstances which you think affect your/your company's ability to pay the filing fee:

To the best of my knowledge, the information above is true and accurate. I have made no attempt to misrepresent my/my company's financial condition. I hereby request that the filing fee for requesting administrative review be waived.

Sworn to before me this

_____ day of _____, 20_____

Notary Public of South Carolina

Requestor/Appellant

My Commission expires: _____

For official use only: _____ Fee Waived _____ Waiver Denied

Chairman or Vice Chairman, SC Procurement Review Panel

This _____ day of _____, 20_____
Columbia, South Carolina

NOTE: If your filing fee request is denied, you will be expected to pay the filing fee within fifteen (15) days of the date of receipt of the order denying the waiver.