



February 10, 2017

Dear SCAGO Participant:

As you may know, Brantley Thomas has resigned as Chair of the South Carolina Association of Governmental Organizations and is no longer with the Berkeley County School District. Published reports indicate that the School District is conducting an investigation into "allegations of misappropriating funds" by Mr. Thomas. While we do not believe SCAGO's finances have been compromised, the Board of Directors is taking this matter very seriously. We met today and elected a Chair and Vice-Chair. During that meeting, I also appointed a committee to review SCAGO's banking records to determine what additional accounting procedures should be undertaken, if any, with respect to internal finances.

We are contacting you because your School District has participated in one or more SCAGO-sponsored programs, either the TAN program and/or one of the GO programs. In connection with both programs, other than the appropriate amount of costs of issuance, all borrowed funds are distributed to either county treasurers or a corporate trustee such as Wells Fargo Bank, N.A. or Regions Bank. Funds held by these banks as Trustee are held in separate accounts in the name of each individual school district. No member of the SCAGO Board of Directors has access to or the ability to authorize the release of any of these funds. Since SCAGO plays no further role in the use of those funds, there is no chance that anyone on behalf of SCAGO, including the Chair, could have directed or misdirected the use of those funds.

You may have heard or seen through published reports that Wells Fargo Bank brought this situation to the attention of the Berkeley County School District. We understand that the corporate trust department of Wells Fargo Bank, the Trustee in some SCAGO programs, is not involved in this situation.

If you have any questions about this very important situation, please contact me or any other SCAGO Board member.

Sincerely,

A handwritten signature in blue ink that reads "John K. Gardner".

John K. Gardner, Chair
Board of Directors