



THE HONORABLE CURTIS M. LOFTIS, JR.

State Treasurer

May 13, 2026

Brian D. Lamkin, State Inspector General
Office of the Inspector General
111 Executive Center Dr., Suite 204
Columbia, SC 20210

Re: Initial Response to Report Regarding State Treasurer's Office

Dear Inspector General Lamkin,

The State Treasurer's Office ("STO") is in receipt of the Inspector General's *Limited Review of the South Carolina Office of the State Treasurer* ("Report"), provided to us on May 8, 2026.

STO requested the opportunity to conduct a thorough review of the Report and provide a written response on or before May 22, 2026, detailing STO's factual and legal concerns, as well as its remediation plan. You denied that request, indicating your intent to publish this Report on or before Thursday, May 14, 2026. As such, the STO is submitting the attached Initial Response and Remediation Plan to be appended to the Report, pending completion of STO's more thorough review and response.

In particular, please note the following critical concerns articulated in the attached Initial Response:

- The STO has successfully assisted agencies in financing over 100 leases via the master lease program — none of which have ever resulted in late payment penalties or surrender of equipment.
- The STO's master lease program did not cause or contribute to the missteps of the State Election Commission related to the acquisition and management of its voting machines.
- The STO's *Bank Balances Quarterly Report* fulfills the requirements of Section 11-5-120, as interpreted by South Carolina's State Treasurers for over 100 years.
- The Inspector General's interpretation of Section 11-5-120, by which it proposes that the STO to "achieve full compliance" is legally unsupported. To the extent that the STO's interpretation of Section 11-5-120 is incorrect, STO stands ready to publish the required information as the General Assembly deems appropriate.

Inspector General Brian Lamkin

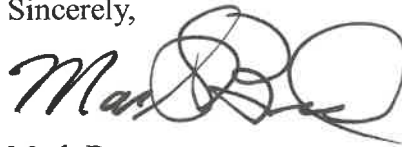
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The impossibility of filling out a CGO form that does not exist constitutes "good cause" for the STO not to withdraw all deposits from a bank or trust company that fails to do so, as allowed by S.C. Code Ann. § 11-13-90.

Thank you in advance for your attention to this matter. We will be in touch as soon as possible to provide STO's full response to the Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Barnes", with a stylized flourish at the end.

Mark Barnes
Chief of Staff