



State of South Carolina

Office of the Governor

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June 8, 2006

The Honorable Robert W. Harrell, Jr.
Speaker of the House of Representatives
Post Office Box 11867
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Dear Mr. Speaker and Members of the House:

I am hereby vetoing and returning without my approval H. 4410, R-414.

H. 4410 would cap at \$5,000 the fines for individuals who refuse to file quarterly campaign finance reports and annual economic interest statements. The bill also makes the cap retroactive for any monetary penalties owed by those individuals to the State Ethics Commission for failure to abide by the ethics disclosure laws, thereby wiping out hundreds of thousands of fines.

This bill is the latest and most disturbing example of the legislature's retreat from the ethics reforms it passed in the wake of the Operation Lost Trust scandal. That scandal exposed massive lobbyist bribery in the General Assembly - in fact, ten percent of the legislature was indicted by a federal grand jury. The resulting public outcry caused the legislature to pass the Ethics Act in 1991 to ban lobbyists from giving anything of value to state legislators and executive branch officials.

Unfortunately, however, we have fallen back to a time where special interests are once again making inroads into the legislative process. The powers of special interests flourish in secrecy - when legislative accountability is diminished and the sunlight is shut out of the legislative process. I am very concerned about the recent trend in the General Assembly toward a closed, secretive system.

For example, since I took office in January 2003, legislators have taken official roll call votes for or against a bill only approximately 13 % of the time. In fact, this was the case with H. 4410, as the state senators decided to pass it on a voice vote, thus making it nearly impossible for average citizens to know how their senators voted on a bill that would lower ethics standards and bail-out legislators for past violations of the ethics laws. Fortunately, our state constitution requires these senators to take a roll call vote on my veto of this appalling bill.

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Two other recent examples of secrecy in the legislative process come to mind. Legislators in both parties insist that their party caucuses should be permitted to meet behind closed doors to discuss state business in private, even though the Attorney General issued a legal opinion declaring the practice illegal. And just two weeks ago, the House-Senate budget conferees discussed, debated and negotiated the 2006-07 Appropriations bill in private, circulating in and out of the "official" conference committee meeting in order to avoid the state's open-meeting law.

H. 4410 would continue this trend toward shutting sunlight out of the legislative process. The fines assessed by the State Ethics Commission against public officials who fail to file timely quarterly campaign finance reports and annual economic interest statements are necessary in order to keep those officials accountable to the public. The required disclosures list personal relationships and business dealings that could interfere with officials' judgment or call their objectivity into question. The disclosures reveal to whom legislators are indebted and trigger demands that legislators explain votes that reflect the interest of their contributors rather than the public at large.

A prime example of how mandatory recordkeeping leads to proper demands for public accountability is the billboard protection act that passed earlier this year. A search of the records at the State Ethics Commission revealed that over \$234,000 had been paid by the billboard industry to Columbia's most powerful lobbyists and that over \$100,000 had been paid to legislators, their PACs and caucuses. This election year, legislators who voted for the billboard protection act must justify to the voters of South Carolina as to why they put the interests of a handful of out-of-state billboard giants ahead of local governments who are trying to regulate the number of billboards being put up in their communities. Absent the legislators' obligation to file disclosures with the State Ethics Commission, such public accountability would be lost.

It is important to remember why the legislature decided in 2003 to replace the old \$500 penalty cap with a fine that increased for each day of noncompliance - too many people were ignoring the law because the fine was so low. That legislative change accomplished its purpose. It was recently reported in one of the state's leading newspapers that more than 13,000 people are required to file disclosure reports and, as of the date H. 4410 was passed by the General Assembly, only 147 individuals were listed on the State Ethics Committee's Debtor's Page - a compliance rate of 99 percent.

I am convinced that H. 4410 would result in that compliance rate decreasing - and with it the ability of the public to hold their elected officials accountable for the decisions they make on its behalf. For this reason, I am vetoing the bill.

Sincerely,



Mark Sanford