

Title: **Ethics reform now**
Author:
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Ethics reform now

S.C. lawmakers should pass an ethics reform bill before making decisions about gambling casinos and offshore drilling. South Carolina does not require public officials to disclose private sources of income.

I believe Gov. Nikki Haley is absolutely right: The ethics reform bill needs truly independent investigations of elected officials. Lawmakers did not pass a recent bill because they want the right to investigate themselves.

Elected officials serve the public and should be required to disclose all conflicts of interest.

RICHARD B. FOWLER
Copahee Road
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Title: **Debacle at DHEC cannot be repeated**

Author:

Size: 40.14 square inch

Hilton Head Island, SC Circulation: 20015



OUR VIEW

Debacle at DHEC cannot be repeated

Greater checks and balances are needed to ensure credibility of state political appointments.

Gov. Nikki Haley's botched end-run to put a friend in charge of South Carolina's health and environmental protection agency must be used as a teachable moment.

It is a "how-to" manual on bad governance, with one redeeming chapter. The state Senate, thank goodness, raised so many questions and exposed so many weaknesses in the candidate that she withdrew her nomination.

The state thereby avoided having someone in charge of the Department of Health and Environmental Control whose only qualification was being a close personal friend, political ally and campaign contributor to the governor.

We call it an end-run because the selection was made secretly, with virtually no vetting. The former director resigned, and four days later the DHEC board, all hand-picked by the governor, announced her replacement. No one else was considered. The chosen candidate then went to work as a \$74-per-hour temporary employee prior to being confirmed by the Senate.

The vagaries of this process were put into perspective in a column by our colleague in Colum-

bia, Cindi Ross Scoppe:

"Imagine a company with 3,600 employees spread across the state, doing highly specialized work that can have multimillion-dollar and even life-and-death consequences if it isn't done right. The CEO tells the board she wants to resign but agrees to keep it quiet and wait until a replacement can be found.

"The board chairman gets a call from a friend who suggests a friend for the position. ... This candidate has no experience or knowledge about any of the many highly technical areas of the company's business. She has run a handful of large companies, but at least twice she left under questionable circumstances. In between, she has moved around a lot, holding down 10 jobs in the past 21 years — five of them since 2005 alone.

"But she does well in the interview, and so without considering any other candidates — without so much as even asking her for references — the board of directors hires her."

How could this possibly happen?

Political appointments are a problem. In this case, both the board that oversees DHEC and its top administrator were picked by

the governor for political reasons. There were no checks and no balances in-house. Thankfully, the Senate did its job by asking hard questions, some of which pointed out Eleanor Kitzman's attendance at a Texas fundraiser for Haley.

A teachable moment for the governor should be that she cannot rule by fiat.

A teachable moment for the Senate is that it is going to have to devote much more scrutiny to all people appointed by this governor to direct a state agency. Citizens, taxpayers and DHEC employees deserve a strong system of checks and balances to control good-old-boy politics.

A teachable moment for the DHEC board is that the Senate, which gives a lot of deference to boards and the governor in their nominees, is going to pay attention to the process and see that it is done responsibly.

And a teachable moment for the state is that we need basic professional requirements to fill certain jobs. It is ludicrous that someone could be in charge of public health with zero background, education or credentials in the field.

That needs to be fixed.

Title: **What, oh what, are they hiding?**

Author:

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What, oh what, are they hiding?

Some or all of the state senators who helped defeat an ethics reform bill last week must have something to hide. What else could explain the abrupt end to a nearly three-year effort to enact meaningful changes in the way ethics charges against lawmakers are handled?

It appeared this year the stars might finally be aligning for genuine ethics reform. The House, which passed a reform bill two years ago, passed more reform proposals this year, including an essential measure creating an independent investigative commission to oversee complaints.

Gov. Nikki Haley, who began pressuring lawmakers in 2012 to adopt ethics reforms, consistently lobbied for changes, including a measure to end the practices of lawmakers investigating themselves. ...

The Senate squelched meaningful reforms for the past two years. Even a watered-down bill died in the Senate last session.

And last week, senators rejected meaningful reforms once again. As before, the apparent stumbling block was a proposal to create an independent investigative panel.

Ethics complaints now are investigated by ethics committees in the House and Senate, meaning that House and Senate members essentially are investigating their peers. Under the bill sponsored by Senate Judiciary Chairman Larry Martin, R-Pickens, a restructured State Ethics Commission similar to the one approved in the House, which would have been

charged with investigating legislators.

But many senators balked at the change, claiming that problems with lawmakers overseeing their own have been in the House, not the Senate. A majority of senators voted to replace Martin's proposed independent panel with one that featured lawmakers and members from the public. Martin couldn't stomach the changes and voted against his own bill, saying it no longer included independent oversight. While Martin said the effort to toughen ethics laws that haven't changed in 20 years is not dead, it is "on life support."

The brazenness of senators who openly hijacked proposals to allow an independent commission to review ethics complaints is stunning. It sends the message many senators consider themselves a privileged class whose actions relating to their public service should not be subjected to scrutiny by disinterested investigators. ...

What is needed in both houses is transparency and accountability. The public deserves to know where elected officials get their money and where potential conflicts of interest exist. And when lawmakers are accused of ethical violations, the public needs the assurance that those accusations will be investigated thoroughly without bias or favoritism.

— Feb. 22, *The Herald, Rock Hill*

Title: **Genetic Center participates in Rare Disease Day proclamation**
Author:
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Genetic Center participates in Rare Disease Day proclamation



SUBMITTED

The Greenwood Genetic Center participated in an event at the South Carolina Statehouse in Columbia to raise awareness for patients and families impacted by rare diseases. Gov. Nikki Haley proclaimed Feb. 28 as Rare Disease Day in South Carolina during the event. From left are Greenwood Genetic Center's Amie Thompson and Dr. Charles Schwartz; Victoria Braddock, mother of one of GGC's patients, and event organizer Dr. Anne-Marie Fields.



Title: **Pitts: 'Gloves are off between me and the governor'**
 Author: By COLIN RIDDLE criddle@indexjournal.com
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Pitts: 'Gloves are off between me and the governor'

Area delegates answer legislation questions at breakfast

By COLIN RIDDLE

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Move over dinner. Breakfast wants some politics.

During a legislative breakfast hosted by the Greenwood Chamber of Commerce, state legislators, representing Greenwood and some surrounding counties, returned answers for questions from community leaders and residents Friday morning in the James C. Self Conference Center at Piedmont Technical College.

The first topic stemming from a question by Theo Lane, government and community relations manager for Duke Energy South Carolina, about income tax steered directly into South Carolina's most widespread issue — roads.

The question: What happened to Gov. Nikki Haley's talk about lowering the income tax?

Now paired with the governor's infrastructure plan to enforce her promise of vetoing any legislation that is not revenue neutral — which includes raising taxes alone, Haley's plan raises the gas tax by 10 cents and lowers income tax from 7 percent to 5 percent in the next decade — a practice Piedmont Tech president Ray Brooks referred to as a "New York shell

game" at the meeting.

"Revenue neutral won't fix the problem," Rep. Mike Pitts, R-Laurens, said at the breakfast. "If it's got to be revenue neutral, it will take us right back to the '08 recession."

Pitts said Haley is basing her plan on tremendous economic growth and he would like to take a more cautious approach by increasing taxes where appropriate in order to fund the many needs throughout the state.

Pitts said if it was to be revenue neutral, he would be more interested in lowering property tax from 10.5 percent to 6 percent as he does not hear people complain about state income tax, but federal income tax and local property tax.

Sen. Billy O'Dell, R-Abbeville, said he doesn't see how the state could cut taxes as the governor proposed and adequately fund different departments and services. The senator proposed increasing fees in order to go around Haley's veto pledge.

"Logically, it makes sense to raise the gas tax, but if you can't

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GLOVES

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override the veto, there's nothing you can do," O'Dell said.

Sen. Floyd Nicholson, D-Greenwood, added the Legislature has to find legislation it can pass and gain consensus in the Statehouse.

Haley's plan also includes restructuring the South Carolina Department of Transportation with the governor appointing the commission.

Pitts said he disagreed with the plan as he has not been convinced by her current oversight of the Department of Social Services and Department of Health and Environmental Control.

"Now, she's running for a national office of some kind. I don't know what it is, but she's using the general assembly as a whipping post to get there and

she's reversing her field from 2013," Pitts said. "So, the gloves are off between me and the governor, I guess."

Other plans circulating the Statehouse would have state roads turned over to the care of the 46 counties if they agree to do so, according to Rep. Anne Parks, D-Greenwood.

Rep. Shannon Riley, R-Greenwood, said the county currently receives about \$1,060,000 a year from the state gas tax with 25 percent required for state roads and that requirement would be removed if roads are turned over to the county.

Riley said he has concerns with taking over state roads, because there are too many variables, including maintenance

and liability costs.

Greenwood would receive \$2 million the first year for a six-year plan where the county will take in 100 miles of state road per year and includes a 4.5-percent-per-gallon increase to the gas tax in the first year, a 5.25-percent increase the next two years and 6 percent after that, according to Riley.

Nicholson shared doubts, saying there's not enough trust with the state now if those funds will continue after the implementation period.

More disagreement with the governor was mentioned regarding the bond bill, which calls for \$500 million for construction projects for roads, health care and education. The governor

opposes accruing more bond indebtedness.

O'Dell said the last bond bill was passed in 1999 with Pitts saying old debt is coming off next year.

"If there was ever a time to take a bond, now's the correct time to do it," Pitts said.

Prior to the Q&A, Jason Zacher, vice president of public policy for the Upstate Chamber Coalition, presented the coalition's 2015 legislative agenda, including repairing infrastructure, educating the workforce, promoting entrepreneurship and ensuring good governance.

Zacher briefly outlined the larger plans and said the chamber coalition has not yet aligned itself with a specific infrastructure plan.

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COLIN RIDDLE | INDEX-JOURNAL

Rep. Mike Pitts, R-Laurens, center, responds to a question at a legislative breakfast hosted Friday by the Greenwood Chamber of Commerce in the James C. Self Conference Center at Piedmont Technical College as advocacy director for the chamber board Jerry Timmons, left, presides. Greenwood legislators, including Pitts, state Sens. Billy O'Dell, Floyd Nicholson, state Reps. Anne Parks and Shannon Riley, attended.



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148 Smith, Weeks cautious on road bills

BY JIM HILLEY
jim@theitem.com

Local Reps. Murrell Smith, R-Sumter, and David Weeks, D-Sumter, both say there are many more discussions to be had after the introduction of two bills in the state House to generate more money for South Carolina's roads.

One bill is the idea of a special ad hoc House panel that would lower the state's gas tax and raise the sales tax on fuel. That bill was written by Rock Hill Republican Rep. Gary Simrill. Smith, who was a member of the

continue to work with the governor's office on this issue," he said.

Weeks said the ad hoc bill has some features he might support.

"I signed on to the House bill because I think they worked very hard in trying to pull some things together, and I think it is more comprehensive," he said. "The other thing that the House bill does that I really like is putting the focus on reform of the Department of Transportation, which is something we really, really need. It is not functioning very well, particularly for (rural) counties situated like Sum-

panel, and Weeks are listed as sponsors.

The second bill is Gov. Nikki Haley's proposal to raise the gas tax by 10 cents. That bill was introduced by Greenville Republican Rep. Tommy Stringer and started with 36 sponsors, including Smith.

"I think the goal in the House is to marry the two bills," Smith said, adding there are portions of both bills he likes.

"I am hopeful that what we do is work those two bills in tandem and find some agreement in those and con-

ter County."

Smith said he is concerned about provisions turning some roads over to the counties.

"Although it's optional," he said. "I've read that the counties don't want to take back the roads," he said.

According to the House bill, 19,000 center line miles of roads would eventually be turned over to the counties for maintenance. Most of those would likely be rural roads.

"The problem we have in Sumter

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County is how we are going to handle the secondary roads," Smith said. "That is a flaw in the *ad hoc* bill and also the governor's bill, and that's a big issue."

Smith and Weeks said their top priority is how the bills affect Sumter County.

"I understand this needs to be looked at from a statewide perspective, but I also believe we have as many road needs in Sumter County as they do in Charleston County or Greenville County," Smith said. "If we are going to ask for citizens to pay more taxes for roads, I am very concerned about how that is going to affect Sumter. What is Sumter going to get in return for their roads?"

Both bills have been estimated to raise about \$400 million in road funding annually, while DOT has estimated the annual road-funding deficit between now and 2040 will be \$1.4 billion per year.

"I don't think they realistically address the funding gap," Weeks said. "I think what they do is sort of Band-Aid some parts of it. None of the bills are what I would like to see, and I think realistically we are

going to have to raise some taxes, gasoline or otherwise. We can't take anything off the table."

Smith said if there is an increase in the gasoline tax, he would like to see a tax credit for South Carolinians, perhaps as an alternative to the governor's tax-rate proposal.

"They say you want to raise the gas tax because you get out-of-state people contributing to your roads and your infrastructure," Smith said. "Well, what better way to do that than to protect South Carolinians from a burdensome tax increase by giving a tax credit?"

Weeks said he prefers the House bill, but at this point he wouldn't vote for either bill.

"I think it is going to require some tweaking, and I understand that there are a number of amendments that are being prepared," he said. "I can't say that I would vote for it in the exact form that it is now."

Smith said not to expect anything to happen quickly.

"It takes awhile in South Carolina," he said. "Whatever the House does, the Senate usually throws that in the trash can and starts with their own plan."

The Associated Press contributed to this article.

32+148 Lawmakers spend campaign funds on their own businesses

In the 2008 and 2012 elections, S.C. Sen. Thomas Alexander faced little or no formal opposition.

Yet, from December 2008 through May last year, the Oconee County Republican and chairman of the Senate Labor, Commerce and Industry Committee, reported spending a total of \$36,657 in campaign funds on labeled printing, mailings and office supplies from a business he owns, called Alexander's Office Supply. The Nerve found in a review of his quarterly campaign reports filed with the State Ethics Commission. Of the total, \$11,310 was listed as having been spent for the 2016 election period, records show.

Alexander, who was first elected to the Senate in 1994 and previously served in the S.C. House from 1987-94, isn't the only legislative leader in recent years who has spent campaign funds on his own business, The Nerve's review found.

Rep. David "Davey" Hiott, R-Pickens and chairman of the House Agriculture, Natural Resources and Environmental Affairs Committee, reported spending a total of \$6,500 in 2012 and last year on his business – the Hiott Printing Company – for what he labeled as "printing materials" and "printing for campaign." He faced opposition in both the 2012 and 2014 Republican primaries, though he had no formal opponents in the general elections in those years.

And other lawmakers have spent campaign funds on Hiott's business, The Nerve's review found. Sen. Larry Martin, R-Pickens and the Senate Judiciary Committee chairman, for example, reported spending a total of \$6,905 from November 2008

through December last year, mainly for what he listed as "Christmas cards." Rep. Bill Whitmire, R-Oconee, reported spending a collective \$4,135 in 2012 for what he labeled as "campaign cards" and a "mailer."

State ethics law (Section 8-13-1348 of the S.C. Code of Laws) bans campaign funds from being "converted to personal use," or used to "defray personal expenses which are unrelated to the campaign or the office if the candidate is an officeholder."

Another law (Section 8-13-700) prohibits a public official from using his office to "obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated."

Alexander's campaign reports don't specify whether the amounts spent from his campaign account on his business were for his campaign or legislative office.

In February 2014, The Nerve reported that more than the prior six years, Hugh Leatherman, who also is the Senate Finance Committee chairman, spent a total of more than \$600,000 from his campaign account, though he faced no opposition in either the 2008 and 2012 elections, including more than \$90,000 for ornaments and gifts for unnamed constituents.

Ethics Committee pre-approval

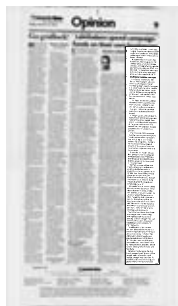
Contacted recently by The Nerve, Hiott, who was first elected to the House in 2004, confirmed that he has spent campaign funds on his business, and that other lawmakers have used their campaign accounts to pay his company.

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\$20,200 since 2008 to a technical college foundation where his wife works as a fundraiser and a charitable organization where she is a board member.

◆ Former Rep. Kris Crawford, R-Florence, who resigned in December amid a Nerve investigation into, among other things, the payment of a collective \$24,215 in the 2008, 2010 and 2012 elections to his wife and a business registered with the state by his wife.

Multiple income sources

Contacted recently by The Nerve, John Crangle, attorney-director of the government watchdog organization Common Cause of South Carolina, said he believes there are ethical problems with lawmakers spending campaign funds on their own businesses or each others' businesses.

"You have an obvious conflict of interest when you're buying from your own company, and secondly, you have incestuous (business) relationships when you're buying from each other," he said.

Crangle questioned whether Alexander was spending campaign funds on his office supply business to cover legislative expenses at the same time he received monthly \$1,000 taxpayer-funded payments for "in-district" expenses.

The Nerve in 2010 first examined the various pots of taxpayer funds that lawmakers annually tap, including in-district payments, reporting then that legislators received an average of about \$32,000 annually in combined salary, expenses and reimbursements.

"Every dollar that he (Alexander) spends from his campaign

account rather than from his in-district account is more money that he can put in his own pocket," Crangle said.

The Nerve reported last year that Leatherman was behind a push to double lawmaker's monthly in-district payments to \$2,000. Gov. Nikki Haley vetoed the proposed pay raise; the House overrode the veto, though the Senate sustained it, killing the pay hike for this fiscal year, which ends June 30.

Alexander's most recently filed annual income-disclosure report shows that he received a collective \$28,947 in Senate income, expenses and reimbursements in 2013, though he didn't provide a specific breakdown of that section. Senate Clerk Jeffrey Gossett told The Nerve in 2010 that senators who receive no base salaries are "most likely retired" and receive legislative pensions.

State law bans lawmakers from receiving a base annual salary and legislative pension while serving in office, though they can receive other types of taxpayer-funded payments along with their pensions.

In addition to state income sources, Alexander's income-disclosure report filed with the State Ethics Commission shows that Alexander's Office Supply was paid a total of nearly \$80,000 in 2013 by the counties of Oconee and Anderson; the Oconee County School District and the cities of Salem, Seneca, Westminster and Walhalla.

Besides that business, he also listed ownership of Oconee Office Supply and Cleveland Gospel Supply, though he didn't specify those businesses as receiving any government contracts that year.



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**Haley, McCrory among
governors asking Obama
not to nix Keystone**

COLUMBIA — The governors of North and South Carolina are among top Republicans imploring the president not to veto a bill to build the Keystone XL oil pipeline.

South Carolina Gov. Nikki Haley and North Carolina Gov. Pat McCrory on Thursday signed a letter asking President Barack Obama not follow through on his threat to veto the measure.

The letter was signed by 24 Republican governors who say the pipeline would create thousands of jobs and strengthen the United States' relationship with Canada.

On Wednesday, the Republican-controlled Congress approved a bill to construct the Keystone XL oil pipeline.



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Dargan Street, Darlington

148 Senate confirms Haley's pick to lead state DSS

The Associated Press

COLUMBIA — Gov. Nikki Haley's pick to lead South Carolina's embattled Department of Social Services has been confirmed by state lawmakers.

The state Senate voted unanimously on Thursday to confirm Susan Alford as the agency's new director.

Haley picked Alford to fill the vacancy left when former director Lillian Koller resigned from the post last year. Her departure came amid ongoing questions about high turnover, heavy caseloads and children dying on the agency's watch.

Alford has said she wants to visit each county, assess its needs and hear why caseworkers leave the agency. Asked about a "culture of fear" at DSS, Alford told lawmakers during a series of hearings that she'll work to create an environment where employees feel comfortable speaking up.



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148 Haley, McCrory among governors asking Obama not to nix Keystone

The Associated Press

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nors who say the pipeline would create thousands of jobs and strengthen the United States' relationship with Canada.

On Wednesday, the Republican-controlled Congress approved a bill to construct the Keystone XL oil pipeline.

Neither the House nor the Senate has enough votes to override a veto, the first of many skirmishes between the Democratic White House and Congress on energy and environmental policy.