



## **Statement of Attorney General Alan Wilson March 9, 2012**

Good afternoon.

As a result of a comprehensive investigation that began last July when this office requested this case from the State Ethics Commission, the State Grand Jury, acting pursuant to its public corruption authority, returned, today, an indictment charging James Kenneth Ard with seven (7) counts of violating the State Ethics Act.

In summary, the State Grand Jury charges Mr. Ard with a scheme, developed as part of his candidacy for Lt. Governor, to create the false appearance of a groundswell of political support through fictitious or bogus campaign contributions. These donations to Mr. Ard's campaign were not a genuine demonstration of financial support. Instead, they represented cash in the amount of \$75,000 which was funneled from Mr. Ard to others and ultimately back to his campaign as purported contributions from citizens in the community.

The State Grand Jury also charges that phantom contributions in the amount of approximately \$87,500 were a part of Mr. Ard's scheme. Such contributions were either not made at all by the person listed or were not made in the amount reported.

The funneled, as well as the phantom contributions, were certified to the State Ethics Commission and reported to the public at large as true and correct. They were not true and correct. Campaign transparency was in reality campaign deceit.

A candidate can, of course, contribute to his own campaign freely; and a candidate may from time to time make reporting mistakes. But the law does not permit that candidate to funnel his money to straw men who purport to contribute to the candidate. Furthermore, the law also requires that contributions are reported truthfully and honestly, not fictitiously or falsely. The State Grand Jury charges Mr. Ard as having violated these fundamental requirements of law.

Additionally, Mr. Ard had admitted improper personal use of campaign funds to the State Ethics Commission on June 30<sup>th</sup>. Some examples include shopping trips to Best Buy and Half Moon Outfitters as well as a family vacation to Washington D.C.

Mr. Ard is charged with four counts of unlawful reimbursement of campaign contributions; two counts of falsely filing campaign reports; and one count encompassing multiple acts of personal use of campaign funds. The State Grand Jury charges invoke Sections 8-13-1344(D), 8-13-1308 and 8-13-1438 of the State Ethics Act. All seven counts are punishable pursuant to Section 8-13-1520 and constitute misdemeanor offenses. Upon conviction, each offense carries a penalty of up

to \$5,000 in fines and/or up to one year in prison. An indictment is, of course, a probable cause determination that crimes have occurred. Like any other citizen charged with a crime, Mr. Ard is presumed innocent until proven guilty.

This investigation is unprecedented in terms of who is involved and what crimes are alleged to be involved. To our knowledge, the creation of such a fictitious campaign has never been criminally charged before in this State's history.

It was the opinion of this office that a conviction for these charges would most likely result in Mr. Ard's removal from office. This fact was brought to the attention of Mr. Ard and he decided that it would be in the best interest of South Carolina for him to resign from the office of Lt. Governor. We strongly agree with his decision and fully believe it is in the best interest of the State.

It is important for the general public, especially those critical of this sometimes lengthy and secretive process, to understand what the State Grand Jury is and how it functions. First, I would like to say what the State Grand Jury is not. It is not an investigative task force that acts, or fails to act, at the whims of this office or any other office. In reality, the State Grand Jury is comprised of eighteen (18) citizens from all over South Carolina who put their lives on hold for one (1) or two (2) days of each month for eleven (11) months out of the year. These citizen Grand Jurors are neither professional investigators nor full time Grand Jurors. They have families and jobs that require their attention.

In the time they are in Columbia, they must deal not with one investigation, but a multitude of cases. These cases are supported by law enforcement investigators and presented to the Grand Jurors by these investigators as well as prosecutors in this office. These investigations are very fluid and the more information that is gathered and presented to the Grand Jurors the more new questions will arise that need to be addressed. An investigation cannot move at warp speed, as critics would like, but must move at the pace which thoroughness, justice and the law demand.

During the course of the State Grand Jury investigation, approximately seventy (70) individuals have been interviewed by SLED and staff from the Attorney General's Office. As the Grand Jury Report states, forty-six (46) subpoenas have been issued in this investigation. The State Grand Jury has heard the testimony of eighteen (18) witnesses as well as received one hundred thirteen (113) documents totaling approximately seven thousand (7,000) pages.

I would like to commend the many people who worked tirelessly on this investigation. Included is SLED Chief Mark Keel, who is with me today representing the outstanding work of SLED's investigators. Also, I would like to thank Chief Deputy Attorney General John McIntosh, Senior Assistant Deputy Attorney General Allen Myrick, Assistant Deputy Attorney General Creighton Waters and Investigator Pete Logan who represented this office during this investigation. Finally, I would like to commend the citizens of the State Grand Jury for their hard work and dedication in seeking the truth.

Nothing is more important than our election process. The people have a right to true and accurate information so that the voters can make their own judgment as to whom to vote for. If the process is falsely manipulated, its purpose is destroyed.

Further, campaign funds cannot be used as a candidate's own personal slush fund because the candidate may then become susceptible to the influence of special interests that have commingled their contributions in the campaign fund with those of other supporters.

A hearing on this case is scheduled to be held at the Richland County courthouse today at 2:00 p.m. It would be inappropriate for me to answer any questions regarding this matter until that time.

Full copies of the Indictment and Grand Jury Report have been made available and are online at [www.scattorneygeneral.com](http://www.scattorneygeneral.com).

Thank you.

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