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Editorial: Probe distracted investment board

The South Carolina Retirement System Investment Commission needs to put its focus completely on appropriately managing the billions of dollars that represent the post-retirement livelihood of public employees in this state now that an investigation into the actions of one of its members has ended with no evidence found of any impropriety.

The state Attorney General's Office announced last week that it has cleared state Treasurer Curtis Loftis of any wrongdoing following allegations of a "pay-for-play" scheme involving Loftis and Mallory Factor, according to a recent report in *The State* that also appeared in *The Greenville News*. The Attorney General's Office made its decision after reviewing a report from the State Law Enforcement Division.

Details of the probe initially became public just as Loftis was questioning the wisdom of certain investments the commission was making, and the allegations did indeed draw some attention away from the questions Loftis was raising.

That was unfortunate because Loftis was raising legitimate concerns about a fund that faces an unfunded liability that some estimates put at \$17 billion. It's absolutely proper for him — and any other member of the commission — to question investment decisions the board makes. Furthermore, Loftis, as the only elected representative on the commission, is the only one on the board who is directly accountable to the voters. The questions about his credibility led to an attempt by Sen. Greg Ryberg to remove the treasurer from the commission. That would have been a mistake and would have stripped a layer of accountability and transparency from the board.

Ryberg's legislation appropriately failed on a 34-10 vote. However, the effort left Loftis alleging the investigation of his relationship with Factor was politically motivated.

Loftis deserves some credit for his efforts to promote transparency in state government, and particularly how that government handles the massive amounts of money to which it is entrusted. State officials — whether appointed or elected — should embrace efforts to shine light on the work government is doing.

One of Loftis' aims was to require independent organizations to assess the work that the Investment Commission does and suggest whether changes are needed. Such efforts would not be political, and would seem to work against anyone trying to manipulate the system for his own gain, as Loftis was accused of doing. More important, it would signal that the Legislature is serious about fixing the retirement system that is so severely underfunded.

All of that said, no one in Columbia is above investigation. The one that focused on Loftis may have been ill-timed, or at least the revelation that it was even taking place, given the questions swirling around the Investment Commission. However, there is every reason to investigate potential corruption, especially given the massive amounts of money that are part of the S.C. Retirement System. Those inquiries should never be politically motivated, nor should they be allowed to obscure or devalue the real work that needs to be done and that is being done to ensure that South Carolina is responsibly managing its accounts.

The Commission, Loftis included, did the right thing when it voted unanimously to refer the allegations to the Attorney General's Office.

The attorney general's finding that there was no wrongdoing should put this matter to rest. It should also end political wrangling over the Treasurer's position on the commission.

The voters need a voice on this commission that handles more than \$20 billion and whose fortunes can have a significant impact on the state's credit rating and state taxes. Right now, the treasurer is that voice.

Any animosity that lingers over this investigation or the questions being asked about the Investment Commission now can be set aside so that everyone can focus on fixing the Retirement System and ensuring its investment decisions are wisely made. That goes for both sides. If Loftis feels the investigation was politically motivated, he should take his satisfaction in the result and close the book on this chapter. Any further spats over Loftis' questions or the investigation would only serve to detract from the real work that needs to be done in Columbia, especially the efforts to ensure that the Investment Commission is acting in the state's best interests.

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