



# State of South Carolina

## Office of the Governor

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### **FOR IMMEDIATE RELEASE**

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## **Governor: No Agency is Exempt from Transparency, Accountability** **GOVERNOR SAYS HE WILL APPLY FOR LOAN ONCE ESC AGREES TO** **LEGISLATIVE AUDIT, DEADLINE FOR DATA SHARING**

**Columbia, S.C. – December 30, 2008** – Saying that no agency should be exempt from transparency and accountability to the taxpayers, Governor Mark Sanford today again called on the state Employment Security Commission (ESC) to accept terms for a state audit and better data sharing with the state Department of Commerce.

Last week, the governor signed and sent to the ESC a memorandum by which the agency would agree to a Legislative Audit Council (LAC) audit, and a deadline for sharing its data on unemployment in this state. The agency rejected the request, which the governor is renewing today. The governor will apply for an unemployment benefits loan once those two conditions are met.

The LAC has over 20 years experience in auditing state agencies, and has a long record of rooting out waste and abuse in state government. A report from the LAC two years ago led to sweeping changes at the state Department of Transportation (DOT), and a similar audit recently uncovered a litany of problems at the state Department of Disabilities and Special Needs (DDSN).

The ESC had previously agreed to such an audit in meetings with the Governor's Office and in media reports, before changing course and backing away from that commitment yesterday.

"What the ESC is in effect saying is that they're somehow exempt from the same scrutiny that every other agency is subject to, and we think that is frankly an insult to taxpayers and the unemployed in this state the ESC supposedly serves," Gov. Sanford said. "If they'd like a federal audit in addition to state audit, we'd welcome that. But their argument that only a federal audit will do just doesn't hold water, when an LAC audit was incredibly beneficial to agencies like DOT and DDSN that also operate primarily on federal dollars as well. What we're really asking for are two incredibly basic measures to insure accountability. Both the taxpayers and unemployed deserve to see the results an audit would bring."

Yesterday, the ESC balked at signing a memorandum from the governor that would have committed them to an audit and to data sharing within six months. Instead, the ESC responded with a weakened document that removed their commitment to an LAC audit, removed any deadline for compliance, and allowed them to terminate the agreement at any time.

The governor has sent an updated, signed agreement back to the ESC today. Once the ESC signs it, the governor will apply for the loan.