News Release

Office Of Attorney General Alan Wilson
State of South Carolina

For Immediate Release
March 9, 2012

Contact: J. Mark Powell
(803) 734-3670
mpowell@scag.gov

State Grand Jury Indicts Ken Ard on Seven Violations of State Ethics Act

Columbia - Attorney General Alan Wilson today announced that the South Carolina State Grand Jury has indicted former Lieutenant Governor Ken Ard on seven (7) counts of violating the State Ethics Act:

"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 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."

"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."

Attorney General Wilson's full statement: 3.9.12 Ard Statement

State Grand Jury Indictment: 3.9.12 Ard Indictment

Report of the State Grand Jury: 3.9.12 Ard Grand Jury Report

Venue Order: 3.9.12 Ard Venue

2012GS 47 02

FILED

MAR -9 2012

JAMES R. PARKS
CLERK, STATE GRAND JURY

STATE GRAND JURY OF SOUTH CAROLINA

Report of the Twenty-Third State Grand Jury into the Investigation of Lieutenant Governor James Kenneth Ard regarding his campaign for Lt. Governor.

March 9, 2012

INTRODUCTION

The State Grand Jury investigates public corruption pursuant to South Carolina Code Ann. Section 14-7-1630. We believe strongly that the public interest will be served in this case by the issuance of this report summarizing certain aspects of the Grand Jury investigation into this case.

BACKGROUND AND SUMMARY

As stated in the true-billed indictment, Lt. Gov. Kenneth Ard organized and conducted two separate efforts to defraud the public with respect to his election campaign. He was aided in these efforts by various persons. However, as the candidate seeking election, Ard was the only person to benefit from these efforts. Further, as candidate, the duty rested with him to ensure that his campaign was conducted in a lawful manner.

Those persons who assisted him fall into two categories, namely: family and friends. These persons were, generally, ignorant of the illegality of Kenneth Ard's scheme. Additionally, these persons were not covered by the ethics laws and cooperated with the State Grand Jury's investigation.

FINDINGS AND CONCLUSIONS

Work on this investigation continued and an indictment has been returned. There have been 18 witnesses who have testified before this body. In addition, during the investigation SLED Agents and Investigators from the Office of the Attorney General have interviewed a great number of other persons, and statements of these additional witnesses have been summarized and made available to the State Grand Jury.

In addition, this Grand Jury has issued 46 subpoenas, resulting in 113 documents totaling approximately 7000 pages which have been available for our consideration during the course of this investigation. We have explored every lead and followed all investigative avenues. The Grand Jury

has thoroughly investigated all of the activities and events associated with Lt. Governor Ard's campaign for Lieutenant Governor.

This Grand Jury has found probable cause to believe that crimes were committed. The indictment we have issued speaks for itself as to these crimes and is incorporated by reference to this Report. We understand that this Report is within our public duty in matters of public concern. At this point, we do not believe that there are additional witnesses or documents which should be or need to be subpoenaed in this investigation. We also believe that all individuals who should be held criminally liable as part of the scheme have been indicted. However, in the event that additional information is discovered in the future, the State Grand Jury will consider that information.

We, the members of the Twenty-Third State Grand Jury, do issue this Report this 9th day of March 2012.

Michael E. Earnheart

FOREPERSON
STATE GRAND JURY

FILED

MAR -9 2012

JAMES R. PARKS
CLERK, STATE GRAND JURY

STATE GRAND JURY OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA	)	Case No. 2012GS 47 02
	)	
	)	**INDICTMENT FOR VIOLATIONS OF THE ETHICS, GOVERNMENT ACCOUNTABILITY, AND CAMPAIGN REFORM ACT:**
v.	)	
	)	
JAMES KENNETH ARD,	)	**UNLAWFUL REIMBURSEMENT OF CAMPAIGN CONTRIBUTIONS; FALSE REPORTING; PERSONAL USE OF CAMPAIGN FUNDS**
Defendant.	)	

At a session of the State Grand Jury of South Carolina, convened in Columbia, South Carolina, on March 8, 2012, the State Grand Jurors present upon their oath and charge as follows:

BACKGROUND

At times material to this Indictment:

1. On May 28, 2009, Defendant JAMES KENNETH ARD filed his initial Candidate Campaign Disclosure with the South Carolina State Ethics Commission ("Ethics Commission"), in Richland County, as a required step in his candidacy for the office of Lieutenant Governor.

2. As of that date, having declared himself a candidate, JAMES KENNETH ARD became subject to the provisions of South Carolina Law regarding the conduct of elections and campaign finances.

3. As part of his effort to obtain elective Office, JAMES KENNETH ARD opened campaign accounts at financial institutions. By statute, these accounts are for the purpose of depositing campaign contributions and paying for campaign expenses or other statutorily

authorized expenses.

4. As a candidate for statewide office, JAMES KENNETH ARD was required to file with the Ethics Commission in Richland County reports identifying the donor and donated amount of contributions over $100 to his campaign, as well as identifying the recipient, amount, and purpose of expenditures from campaign funds. These filings are required by statute to be certified as true by the candidate.

5. On July 14, 2009, JAMES KENNETH ARD filed and/or caused to be filed, in Richland County, a Candidate Campaign Disclosure with the Ethics Commission for the reporting period covering April 1, 2009 through June 30, 2009, as required by the laws of South Carolina for candidates for public office.

6. On July 20, 2009, JAMES KENNETH ARD filed and/or caused to be filed, in Richland County, an ***amended*** Candidate Campaign Disclosure with the Ethics Commission for the reporting period covering April 1, 2009 through June 30, 2009, as required by the laws of South Carolina for candidates for public office.

7. On February 14, 2011, JAMES KENNETH ARD filed and/or caused to be filed in Richland County, a ***second amended*** Candidate Campaign Disclosure with the Ethics Commission for the reporting period covering April 1, 2009 through June 30, 2009, as required by the laws of South Carolina for candidates for public office.

8. On October 16, 2009, JAMES KENNETH ARD filed, and/or caused to be filed, in Richland County, a Candidate Campaign Disclosure with the Ethics Commission for the reporting period covering July 1, 2009 through August 31, 2009, as required by the laws of South Carolina for candidates for public office.

9. A statewide primary election was held on June 8, 2010. JAMES KENNETH ARD did not receive a majority of votes, and a runoff was held on June 22, 2010.

10. JAMES KENNETH ARD won the primary runoff, securing his party's nomination, and on November 2, 2010, won the general election, becoming the Lieutenant Governor-Elect. He was sworn in as Lieutenant Governor of South Carolina on January 12, 2011.

11. On February 2, 2011, a complaint was filed with the Ethics Commission, alleging irregularities in campaign spending and disclosures by JAMES KENNETH ARD with regard to his campaign for Lieutenant Governor.

12. The Ethics Commission investigated a number of expenditures from JAMES KENNETH ARD's campaign accounts.

13. On June 30, 2011, JAMES KENNETH ARD signed and entered into a Consent Order with the Ethics Commission regarding certain of these expenses, in which he admitted improper personal use of campaign funds. Among others, the admitted improper personal use included:

a. On November 29, 2010, $799.20 from funds in JAMES KENNETH ARD's campaign account was used to purchase women's clothing from Cynthia's, a boutique clothing store, in Florence, South Carolina. These items were for personal use, and were not for campaign-related purposes or ordinary expenses incurred in connection with duties in public office.

b. In December of 2010, JAMES KENNETH ARD's campaign account was used to pay $270.00 for lodging and $168.00 for tickets. These expenditures were for a trip to Atlanta, Georgia to attend a football game, and there was no campaign or official purpose for this trip which would authorize these expenditures of campaign funds.

c. On December 6, 2010, JAMES KENNETH ARD's campaign account was used to purchase $3,056.30 of items at a Best Buy retail location

in Florence, South Carolina. These items were purchased for personal use, and were not for campaign-related purposes or ordinary expenses incurred in connection with duties in public office.

d. From December 25 to 28, 2010, JAMES KENNETH ARD's campaign account was used to pay for over $2,000.00 worth of travel, lodging, and meals during a family trip to Washington, D.C. This trip was personal in nature, and the expenditures were not for campaign-related purposes or ordinary expenses incurred in connection with duties in public office.

e. On November 6, 2010, JAMES KENNETH ARD's campaign account was used at a retail store named "Half-Moon Outfitters" to purchase $560.67 of clothing items that were not for campaign purposes or for ordinary expenses incurred in connection with duties in public office.

f. On November 20, 2010, JAMES KENNETH ARD's campaign account was used at a retail store named Talbot's to purchase $313.51 of clothing items that were not for campaign purposes or for ordinary expenses incurred in connection with duties in public office.

g. From November 2010 to December 2010, JAMES KENNETH ARD's campaign account was used to pay Verizon Wireless for cell phone services that were solely for the personal use of a family member, and not for uses related to the campaign or for ordinary expenses incurred in connection with duties in public office.

14. During the State Grand Jury's investigation, additional facts were discovered regarding the campaign by JAMES KENNETH ARD for the office of Lieutenant Governor of the State of South Carolina.

THE REIMBURSEMENT SCHEME

15. During the campaign, JAMES KENNETH ARD made substantial monetary contributions as well as loans to his own campaign. These were reported to the Ethics Commission in the Candidate Campaign Disclosure as required by law.

16. As a candidate for elective office in South Carolina, JAMES KENNETH ARD was allowed by law to contribute, without limit, to his own campaign. Defendant was aware

of this fact, and, as noted above, made significant contributions to his own campaign which *were* disclosed to the public through the required filings with the Ethics Commission.

17. In addition to contributions of his own funds to the campaign which he properly disclosed, JAMES KENNETH ARD also funded his campaign in large part by directly and/or indirectly providing his own funds to purported campaign donors for contribution to his campaign. JAMES KENNETH ARD then falsely reported these purported contributors and contribution amounts on his Candidate Campaign Disclosure, as if they had been legitimate contributions by the named donors.

18. During his campaign, JAMES KENNETH ARD made public statements regarding these political contributions in an effort to convey the notion that there was broad financial support in the community for his campaign, when in fact the majority of the contributions reported to the Ethics Commission in his early filings were fictitious. JAMES KENNETH ARD intended to generate the fraudulent impression among South Carolina voters that he, as a candidate, enjoyed broader public financial support than was actually the case.

19. The transactions (to be described below) and the public statements which followed them were intended by JAMES KENNETH ARD to create the illusion of broad community support for JAMES KENNETH ARD's campaign.

20. JAMES KENNETH ARD also intended in implementing this scheme to encourage further support in the community, both financial and otherwise, and to falsely demonstrate to his political opponents that he was an early leader in the campaign, thereby discouraging and intimidating them.

21. Only by concealing the true source of the funds which were deposited into the

campaign account could JAMES KENNETH ARD sustain the illusion that he was a strongly supported and well-funded candidate, thereby encouraging other citizens to contribute.

22. The scheme implemented by JAMES KENNETH ARD effectively concealed from the citizens of South Carolina the true self-funded nature of his campaign.

MEANS OF IMPLEMENTING DEFENDANT'S REIMBURSEMENT SCHEME

23. As part of his efforts to influence the election, JAMES KENNETH ARD devised a scheme whereby money provided by JAMES KENNETH ARD was distributed to others in the form of cash or deposits made into their checking accounts. At a time near to the distribution of funds, these persons would provide a check to the campaign in the exact amount that JAMES KENNETH ARD directly or indirectly had provided them, thus ensuring that each person was reimbursed for money that was paid to JAMES KENNETH ARD's campaign with money that had been provided by JAMES KENNETH ARD.

24. Cash cumulatively totaling approximately $75,000.00 was provided by JAMES KENNETH ARD directly and/or indirectly to four individuals: Jerry A. Nettles, Jr., Frank M. "Chip" Munn, John C. Wase, and Samuel Lee Ard. JAMES KENNETH ARD directly and/or indirectly asked Jerry A. Nettles, Jr., John C. Wase, and Samuel Lee Ard to provide campaign contribution checks while retaining for themselves reimbursement for those contribution checks. JAMES KENNETH ARD also directly and/or indirectly asked all four individuals to identify and forward the remaining cash provided by JAMES KENNETH ARD to various other persons, who would in turn write checks to JAMES KENNETH ARD's campaign, and be reimbursed for the entire amount of their alleged contribution with the funds provided by JAMES KENNETH ARD.

25. Rebecca Parker Elliot has long been employed by JAMES KENNETH ARD in

various capacities. On or about the period of July 1, 2009, and July 2, 2009, and at the direction of JAMES KENNETH ARD, Rebecca Parker Elliot met separately at locations in Florence County with Jerry A. Nettles, Jr., Frank M. "Chip" Munn, and John C. Wase for the purpose of distributing up to $20,000.00 of cash from JAMES KENNETH ARD to each of them for the reimbursement of campaign contributions. Samuel Lee Ard was also provided a large amount of cash directly and/or indirectly from JAMES KENNETH ARD for the purpose of reimbursing campaign contributions.

26. Jerry A. Nettles, Jr., Frank M. "Chip" Munn, John C. Wase, and Samuel Lee Ard then redistributed the cash to various persons in amounts of up to the statutorily mandated maximum contribution of $3,500.00 per person, for the purpose of reimbursing those persons in return for those persons providing a contribution to the campaign in their names for the same amount that was reimbursed. Rebecca Parker Elliot also retained $2,500.00 of the money provided by JAMES KENNETH ARD and obtained a cashier's check which was donated to the campaign under her current husband's name.

27. All of the contributors who received reimbursement were then falsely reported to the Ethics Commission on the Candidate Campaign Disclosure as legitimate donors to the "James Kenneth Ard for Lieutenant Governor" political campaign.

28. These acts were intended to further the scheme described above.

THE FALSE FILINGS

29. In addition to the reimbursement scheme described above, the Grand Jury has reviewed other filings made by JAMES KENNETH ARD for different reporting periods.

30. As stated before, JAMES KENNETH ARD filed and/or caused to be filed with the Ethics Commission a Candidate Campaign Disclosure on October 16, 2009.

31. Approximately twenty-seven (27) donations totaling approximately $87,500.00 were reported as actual campaign contributions by JAMES KENNETH ARD in this filing. However, they are completely false. The campaign contributions were not made, yet JAMES KENNETH ARD reported them as if they actually had been made, on his October 16, 2009 Candidate Campaign Disclosure.

32. For at least one of the donations reported in this filing, the amount reported by JAMES KENNETH ARD on the October 16, 2009 Candidate Campaign Disclosure was in excess of the amount actually provided by the campaign contributor. This excess cumulatively totaled approximately $1,500.00 above the amount actually contributed by the listed donor.

33. JAMES KENNETH ARD's intent with these false filings, as in the reimbursement scheme, was to mislead voters, supporters, and opponents as to the extent of public financial support of JAMES KENNETH ARD's campaign, and as to the overall formidability of his campaign for Lieutenant Governor of the State of South Carolina.

WHEREAS, THE GRAND JURY CHARGES:

.COUNT ONE
Unlawful Reimbursement
(S.C. Code Ann. § 8-13-1344(D) and -1520)

34. The allegations of paragraphs one (1) through thirty-three (33) of this Indictment are realleged and incorporated by reference as if fully set forth herein.

35. On or about July 1, 2009, JAMES KENNETH ARD did convey to Rebecca Parker Elliot a sum of cash in the amount of approximately $15,000 for reimbursement of contributions in furtherance of the scheme. Rebecca Parker Elliot then met with Jerry A.

Nettles, Jr. on or about this date and provided him with these funds for the purpose of reimbursing campaign donors. This money was then redistributed further in accordance with the goals of the scheme to those who wrote checks to JAMES KENNETH ARD for the "Ard for Lieutenant Governor" campaign in return for the reimbursement.

All in violation of 8-13-1344(D) and 8-13-1520 of the S.C. Code of Laws, as amended, and such conduct involving public corruption or arising out of or in connection with a crime involving public corruption and such conduct having not been authorized by law.

Against the peace and dignity of the State and contrary to the statute in such case made and provided.

COUNT TWO
Ethics Act Violations
Unlawful Reimbursement
(S.C. Code Ann. § 8-13-1344(D) and -1520)

36. The allegations of paragraphs one (1) through thirty-five (35) of this Indictment are realleged and incorporated by reference as if fully set forth herein.

37. On or about the period between July 1 and July 2, 2009, JAMES KENNETH ARD did convey to Rebecca Parker Elliot, ***on a second and separate occasion***, a sum of cash in the amount of approximately $20,000 for reimbursement of contributions in furtherance of the scheme. Rebecca Parker Elliot then met with Frank M. "Chip" Munn on or about this date and provided him with these funds for the purpose of reimbursing campaign donors. This money was then redistributed further in accordance with the goals of the scheme to those who wrote checks to JAMES KENNETH ARD for the "Ard for

Lieutenant Governor" campaign in return for the reimbursement.

All in violation of 8-13-1344(D) and 8-13-1520 of the S.C. Code of Laws, as amended, and such conduct involving public corruption or arising out of or in connection with a crime involving public corruption and such conduct having not been authorized by law.

Against the peace and dignity of the State and contrary to the statute in such case made and provided.

COUNT THREE
Ethics Act Violations
Unlawful Reimbursement
(S.C. Code Ann. § 8-13-1344(D) and -1520)

38. The allegations of paragraphs one (1) through thirty-seven (37) of this Indictment are realleged and incorporated by reference as if fully set forth herein.

39. On or about the period between July 1, 2009 and July 2, 2009, JAMES KENNETH ARD did convey to Rebecca Parker Elliot, ***on a third and separate occasion,*** a sum of cash in the amount of approximately $20,000 for reimbursement of contributions in furtherance of the scheme. Rebecca Parker Elliot then met with John C. Wase on or about this date and provided him with these funds for the purpose of reimbursing campaign donors. This money was then redistributed further in accordance with the goals of the scheme to those who wrote checks to JAMES KENNETH ARD for the "Ard for Lieutenant Governor" campaign in return for the reimbursement.

All in violation of 8-13-1344(D) and 8-13-1520 of the S.C. Code of Laws, as amended, and such conduct involving public corruption or arising out of or in connection with a crime involving public corruption and such conduct having not been authorized by

law.

Against the peace and dignity of the State and contrary to the statute in such case made and provided.

COUNT FOUR
Ethics Act Violations
Unlawful Reimbursement
(S.C. Code Ann. § 8-13-1344(D) and -1520)

40. The allegations of paragraphs one (1) through thirty-nine (39) of this Indictment are realleged and incorporated by reference as if fully set forth herein.

41. On or about the period between July 1, 2009 and July 2, 2009, JAMES KENNETH ARD, ***on a fourth and separate occasion,*** directly and/or indirectly provided to Samuel Lee Ard a sum of cash in the amount of approximately $17,500 for reimbursement of contributions in furtherance of the scheme. This money was then redistributed further in accordance with the goals of the scheme to those who wrote checks to JAMES KENNETH ARD for the "Ard for Lieutenant Governor" campaign in return for the reimbursement.

All in violation of 8-13-1344(D) and 8-13-1520 of the S.C. Code of Laws, as amended, and such conduct involving public corruption or arising out of or in connection with a crime involving public corruption and such conduct having not been authorized by law.

Against the peace and dignity of the State and contrary to the statute in such case made and provided.

COUNT FIVE
Ethics Act Violations
False Reporting
(S.C. Code Ann. §§ 8-13-1308 and -1520)

42. The allegations of paragraphs one (1) through forty-one (41) of this Indictment are realleged and incorporated by reference as if fully set forth herein.

43. JAMES KENNETH ARD's scheme of unlawful reimbursement as described above could only have its desired effect by filing Candidate Campaign Disclosures with the Ethics Commission which falsely credited other persons with having contributed to the campaign for Lieutenant Governor, when in fact the contributors had been reimbursed from funds directly and/or indirectly provided by JAMES KENNETH ARD.

44. As stated above, on or about July 14, 2009, JAMES KENNETH ARD filed, and/or was responsible for filing, in Richland County, Candidate Campaign Disclosures detailing donations and expenditures in his campaign accounts for Lieutenant Governor. These disclosure documents contained false statements inasmuch as they claimed there were legitimate contributors and contribution amounts that were in fact from reimbursements in violation of the law.

All in violation of 8-13-1308 and 8-13-1520 of the S.C. Code of Laws, as amended, and such conduct involving public corruption or arising out of or in connection with a crime involving public corruption and such conduct having not been authorized by law.

Against the peace and dignity of the State and contrary to the statute in such case made and provided.

COUNT SIX
Ethics Act Violations
False Reporting
(S.C. Code Ann. §§ 8-13-1308 and -1520)

45. The allegations of paragraphs one (1) through forth-four (44) of this Indictment are realleged and incorporated by reference as if fully set forth herein.

46. JAMES KENNETH ARD's efforts to convey the impression of a well-funded campaign with broad public financial support could only have its desired effect by filing public Candidate Campaign Disclosure reports with the Ethics Commission which falsely credited persons with having contributed to his campaign for Lieutenant Governor, when in fact those contributions had not taken place, and/or the contribution had not been given in the amount JAMES KENNETH ARD claimed on his certified Candidate Campaign Disclosure.

47. As stated above, on or about October 16, 2009, JAMES KENNETH ARD in Richland County, filed, and/or was responsible for filing, campaign disclosures detailing contributions to and expenditures from the accounts for his campaign for Lieutenant Governor. These disclosure documents contained false statements with respect to the identity of contributors and/or the amount of contributions received from contributors his campaign.

All in violation of 8-13-1308 and 8-13-1520 of the S.C. Code of Laws, as amended, and such conduct involving public corruption or arising out of or in connection with a crime involving public corruption and such conduct having not been authorized by law.

Against the peace and dignity of the State and contrary to the statute in such case made and provided.

COUNT SEVEN
Ethics Act Violations
Use of Campaign Funds for Personal Expenses
(S.C. Code Ann. §§ 8-13-1348 and -1520)

48. The allegations of paragraphs one (1) through forty-seven (47) of this Indictment are realleged and incorporated by reference as if fully set forth herein.

49. On or around the period between November 2010 and January 2011, JAMES KENNETH ARD did use campaign funds to defray personal expenses which were unrelated to the campaign for and/or the office of Lieutenant Governor of the State of South Carolina, and did convert campaign funds to personal use.

All in violation of 8-13-1308 and 8-13-1520 of the S.C. Code of Laws, as amended, and such conduct involving public corruption or arising out of or in connection with a crime involving public corruption and such conduct having not been authorized by law.

Against the peace and dignity of the State and contrary to the statute in such case made and provided.

A True Bill

Michael E. Earnhead

FOREMAN

Alan Wilson

ALAN WILSON
ATTORNEY GENERAL

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 30th. 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 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.

Thank you.

# # #

STATE GRAND JURY OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA	)	Case No. 2012GS 47 02
	)	
v.	)	**VENUE ORDER**
	)	
JAMES KENNETH ARD,	)	
Defendant.	)	

FILED
MAR - 9 2012
JAMES R. PARKS
CLERK, STATE GRAND JURY

The State Grand Jury of South Carolina returned a True Bill of the Indictment in the above case on March 9, 2012. The Indictment is within the authority of the State Grand Jury and is otherwise in accordance with the provisions of the State Grand Jury Act, found in S.C. Code Ann. §§14-7-1600 to -1820 (Law. Co-op. 1976). Venue is appropriate under South Carolina law in the County of Richland. Accordingly, it is hereby

ORDERED that the instant Indictment be returned to Richland County for prosecution by the Attorney General or his designee.

G. THOMAS COOPER, JR.
FIFTH JUDICIAL CIRCUIT
PRESIDING JUDGE
STATE GRAND JURY OF SOUTH CAROLINA

Columbia, South Carolina

March 9, 2012