

Statement from State Treasurer Curtis Loftis on the Office of Inspector General Report

The Inspector General's report identifies areas where processes can be improved, and we take those recommendations seriously, as we always do. In fact, many improvements were already underway before the report was released.

There were two specific areas where the Inspector General claims mismanagement by the Treasurer's Office- and the facts matter.

First, regarding the State Election Commission lease. The Election Commission requested the financing, certified its legal compliance, and represented that funding would be available for repayment. After that agreement was in place, the General Assembly changed the timing of the appropriation intended to make the payment. When that problem surfaced, my office stepped in to help prevent penalties and protect taxpayers.

The Treasurer's Office has successfully completed more than 100 master lease transactions over many years without a single repossession or late payment penalty—ever. The language used by the Inspector General regarding that program is regrettable and does not reflect its documented history.

The STO's master lease program did not cause or contribute to the missteps of the State Election Commission related to the acquisition and management of its voting machines. The Election Commission and its former staff are under investigation based on numerous allegations of wrongdoing and criminal activity.

The second issue relates to the STO's reporting of bank balances which is required by a law passed in 1903. The Inspector General's claim rejects the understanding of this reporting law held by all Treasurers from the last 120 plus years. If lawmakers wish to modernize outdated statutes, I welcome that conversation.

It highlights outdated statutes written for a very different era of government finance, long before modern banking systems and statewide accounting platforms existed. South Carolina invested more than \$140 million in SCEIS to modernize state government, not to recreate paper-driven processes from another century.

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The Treasurer's Office manages tens of billions of taxpayer dollars, helps maintain strong credit ratings that save taxpayers money, and remains committed to transparency, accountability and responsible stewardship.

My focus remains exactly where it has always been... protecting the taxpayers of South Carolina, safeguarding the state's financial resources, and continuing to serve with integrity.