



## THE HONORABLE CURTIS M. LOFTIS, JR.

State Treasurer

March 14, 2025

Hon. Thomas C. Alexander  
President of the Senate  
[By Courier Delivery and Email]

Hon. Harvey S. Peeler, Chair  
Senate Finance Committee  
[By Courier Delivery and Email]

Dear Senators Alexander and Peeler:

The purpose of this letter is to request your review and intervention regarding the improper conduct of the Constitutional Subcommittee of the Senate Finance Committee (hereinafter “Subcommittee”).

For over a year now, the Subcommittee has engaged in an investigation of “activities within the Office of State Treasurer.”<sup>1</sup> In so doing, the Subcommittee has disregarded statutory standards of procedure and evidence established for committee investigations, and may have exceeded its legal authority.

Senate subcommittees are not inherently empowered to conduct unscheduled investigations. S.C. Code Ann. § 2-2-40(A) allows a standing committee to initiate an oversight study and investigation of an agency, limited to “the scope stated in the motion or the scope of the information uncovered by the investigation.” *Id.* S.C. Code Ann. § 2-2-40(B) also allows “the President of the Senate, the Speaker of the House of Representatives, or chairmen of standing committees” to authorize “legislative investigations into agencies’ functions, duties, and activities.” To my knowledge, my office has not been provided notice that the Senate Finance Committee has approved a motion, or that either of you have authorized, the Subcommittee’s investigation of my office.

My concerns regarding the Subcommittee’s investigation are not merely technical. Chapter 2 of Title 2 requires an investigating committee to observe rules of substantive and procedural due process, as well as evidentiary rules, which are conducive to a meaningful, reliable, good faith review of the subject matter. The scope of a committee’s investigation must be clearly articulated and limited. By contrast, the Subcommittee has never articulated the scope of its investigation of my office; to the contrary, the scope appears to have been constantly changing. The Subcommittee has called upon my office to testify under oath (often on very short notice), providing vague and inaccurate descriptions of the Subcommittee’s intended topics of questioning. In April of 2024, I was called to a Subcommittee meeting to “present the budget requests of the Office of the State Treasurer”— a meeting that typically lasts twenty minutes. Instead, I was aggressively questioned for over six hours on topics ranging from statutory interpretation to complex and granular matters of the State’s finances.

In fact, on multiple occasions before the Subcommittee, my staff and I have stated that we were unable to testify regarding certain topics because of a lack of notice as to subject matter. Each time, the Subcommittee ignored this testimony and continued in their questioning. At one point, in response to this objection, a Subcommittee member declared, “We’re here to discuss all kinds of stuff.”

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<sup>1</sup> As described by the Subcommittee in its *Interim Report of Findings and Recommendations on the \$1.8 Billion Discrepancy in Treasury Balances and Certain Other Matters* issued April 16, 2024.

During their questioning, Subcommittee members have made harmful, unsupported, and false accusations of wrongdoing, presented un-authenticated and (in at least two cases) prejudicially manipulated “evidence” to witnesses. On several occasions a Subcommittee member even attempted to elicit my testimony regarding his “paraphrase” of a document, rather than providing the document to me or identifying the document for the record.

In numerous meetings, Subcommittee has publicly (and falsely) accused me of lying, misappropriating State money, attempting to impose undue influence on the State Auditor, and selling off State investments at a loss to hide a negative General Fund balance. At one point the Chairman even accused me of treason. Each of these accusations have been disproven.

When testifying before an investigative committee, a witness “may have counsel present to advise him,” and “the witness or his counsel may, during the time of testimony, claim any legal privilege recognized by the laws of this State in response to any question and is entitled to have a ruling by the chairman on any objection.” S.C. Code Ann. § 2-2-80. Likewise, Section 2-2-90 ensures that “witnesses shall be given the benefit of any privilege at law which he may have in court as a party to a civil action.” The Subcommittee has in many instances disregarded these statutory guidelines in how it conducted the questioning of witnesses.

During the February 27, 2025, meeting of the Subcommittee, in which I was accompanied by a State Treasurer’s Office attorney, the Subcommittee demanded that the attorney either be sworn in as a witness or that he “keep his mouth shut,” and the Chairman threatened to have him forcibly removed from the meeting if he did not comply.

The Subcommittee claims to have reviewed thousands of pages of documents and has apparently engaged in extensive off-record communications, yet has not provided my office the opportunity to review or respond to that information.

Despite the impropriety of the Subcommittee’s investigation, my staff and I have made significant good faith efforts to provide any information requested, and answer the questions posed by the Subcommittee. We have even conducted an internal review of these matters, and provided a thorough written report, including legal and evidentiary support: *State Treasurer’s Office Overview of Issues Surrounding SCEIS Fund 30350993 and Other Allegations*.

The Subcommittee’s conduct is troubling and appears unlikely to produce a trustworthy or meaningful outcome. Moreover, these meetings may prove detrimental to the State’s financial reputation and credit rating. As such, I believe it is within your authority and responsibility to intervene, and I respectfully ask you to do so.

In closing, I must point out that the cost of the Subcommittee’s conduct is not quantifiable in dollars alone. The Subcommittee’s ever-changing accusations and allegations have been extraordinarily taxing, both personally and professionally, for my staff and myself. It is my sincere hope that the Senate recognizes the harm that this investigation has caused and will take care to prevent it from happening in the future.

Sincerely,



Curtis M. Loftis, Jr.  
South Carolina Treasurer

cc: Hon. Henry D. McMaster, Governor  
Hon. Alan Wilson, Attorney General  
Hon. G. Murrell Smith, Jr., Speaker of the House  
Hon. Lawrence K. Grooms, Chair, Constitutional Subcommittee