**South Carolina General Assembly**

125th Session, 2023-2024

**S. 645**

**STATUS INFORMATION**

Joint Resolution

Sponsors: Senators Grooms, Goldfinch, McElveen, Young, Fanning, Adams, Bennett, Campsen, Cash, Climer, Corbin, Davis, Gambrell, Garrett, Gustafson, Harpootlian, Hembree, Hutto, K. Johnson, M. Johnson, Kimbrell, Loftis, Malloy, Massey, McLeod, Peeler, Rankin, Reichenbach, Rice, Sabb, Senn, Stephens, Talley, Turner and Verdin

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Introduced in the Senate on March 16, 2023

Currently residing in the Senate Committee on **Finance**

Summary: Comptroller General Removal

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/16/2023 Senate Introduced and read first time ([Senate Journal‑page 5](h:\sj\20230316.docx))

3/16/2023 Senate Referred to Committee on **Finance** ([Senate Journal‑page 5](h:\sj\20230316.docx))

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**VERSIONS OF THIS BILL**

[03/16/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/645_20230316.docx)

[03/16/2023-A](https://www.scstatehouse.gov/sess125_2023-2024/prever/645_20230316a.docx)

A joint Resolution

FINDING THAT COMPTROLLER GENERAL RICHARD ECKSTROM HAS WILLFULLY NEGLECTED HIS DUTIES IN OFFICE AND INVOKING ARTICLE XV, SECTION 3 OF THE SOUTH CAROLINA CONSTITUTION TO REMOVE COMPTROLLER GENERAL ECKSTROM FROM OFFICE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. The General Assembly finds:

(1) The South Carolina Comptroller General is statutorily charged with the duty to implement appropriate accounting procedures to consolidate accounts, in connection with lump sum agencies, as necessary for proper accounting and for facilitation of financial reporting in accordance with generally accepted accounting principles to accurately reflect the financial integrity of the State.

(2) In fulfilling his statutory duty set forth in subsection (1), the Comptroller General must prepare a detailed report of the State’s spending in the Annual Comprehensive Financial Report (ACFR). Investors and rating agencies use the ACFR to judge the financial health of the State. The Comptroller General is responsible for certifying the ACFR as true and accurate. The Comptroller General is solely responsible for the accuracy and preparation of the ACFR.

(3) From 2012 to 2017 and 2019 to 2022, Comptroller General Eckstrom certified ACFRs that misstated the amount of cash in the State’s General Fund. The misstatements totaled approximately three billion, five hundred million dollars.

(4) Comptroller General Eckstrom willfully neglected his statutory duty set forth in subsection (1) by failing to maintain internal controls at the Comptroller General’s Office that were sufficient to detect errors. The State Auditor informed the Comptroller General of the existence of material weaknesses and significant deficiencies in the internal controls used to prevent or detect and correct misstatements on a timely basis. Comptroller General Eckstrom’s failure to cure the deficiencies resulted in a misstatement in the ACFR each year from 2012 to 2017 and 2019 to 2022.

(5) Comptroller General Eckstrom willfully neglected his statutory duty set forth in subsection (1) by failing to retain necessary staff to carry out the statutory duties of his office, including the implementation of internal controls sufficient to prevent or detect and correct misstatements on a timely basis.

(6) Comptroller General Eckstrom’s answers to inquiries from committees and subcommittees of the General Assembly investigating this matter were evasive and not forthcoming.

(7) For a decade, Comptroller General Eckstrom knowingly and willfully failed to implement internal quality assurance processes within his office sufficient to produce an accurate and consistent ACFR despite audit after audit citing him for his failure and warning him of both “material weakness” and “significant deficiency” in his internal control over financial reporting.

(8) For a decade, Comptroller General Eckstrom knowingly and willfully certified inaccurate ACFRs that ultimately misstated the amount of cash in the General Fund by approximately three billion, five hundred million dollars. The revelations of these misstatements could negatively impact the State’s credit rating.

SECTION 2. The General Assembly hereby declares that South Carolina Comptroller General Eckstrom’s actions constitute a willful neglect of duty: (a) he failed to exercise of the duties of his office in relation to the ACFR, (b) he failed to implement quality control measures, and (c) he failed to maintain necessary staff to carry out the duties of his office, including the implementation of internal controls sufficient to detect errors. Therefore, the General Assembly does hereby invoke the provisions contained in Article XV, Section 3 of the South Carolina Constitution, relating to the removal of officers by the Governor on address of the General Assembly.

SECTION 3. Pursuant to Article XV, Section 3 of the South Carolina Constitution, the General Assembly hereby transmits to the Governor this Joint Resolution and, this Joint Resolution having received the constitutionally-required vote, requests that the Governor fulfill his constitutionally‑mandated duty to remove from office South Carolina Comptroller General Richard Eckstrom.

SECTION 4. The introduction of this Joint Resolution and its consideration by the Senate or the House of Representatives, or both, does not constitute an admission that the offenses identified herein are insufficient grounds for impeachment pursuant to Article XV, Sections 1 and 2 of the South Carolina Constitution.

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