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Wealthy New Yorker backing S.C. races

Developer hopes for election of those who agree with private school tax credits.

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Posted: Tuesday, Oct. 14, 2008



Howard Rich, a New Yorker who is donating heavily in S.C. races.

More Information

- [The top recipients](#)

These S.C. legislative candidates received the most contributions from Howard Rich and his LLCs reported so far during the 2008 election cycle.

\$50,000: Katrina Shealy (Lexington County)

26 percent of total reported individual contributions

Defeated in a Republican runoff in Senate District 23

\$41,000: Lee Bright (Spartanburg County)

21 percent of total reported individual contributions

Republican, unopposed in November in Senate District 12

\$24,000: John “Dee” Compton (Abbeville, Greenwood and Laurens counties)

20 percent of total reported individual contributions

Republican, Senate District 10. Faces Democrat Floyd Nicholson in November.

\$24,000: Joey Millwood (Spartanburg County)

44 percent of total reported individual contributions

Republican, House District 38. Faces Democrat Mark Chambers in November.

Source: Candidate campaign reports

COLUMBIA A New York City developer is the largest contributor to South Carolina's legislative campaigns this year – giving hundreds of thousands of dollars to candidates from Fort Mill to Charleston.

Howard Rich, a 68-year-old multimillionaire, is one of the nation's leading advocates for private school tax credits and limited government spending.

He's targeted South Carolina to give campaign money to like-minded candidates, with the eventual goal of passing legislation granting private school tax credits. He has no S.C. ties.

Rich and 30 limited liability corporations he owns contributed \$442,000 to 37 legislative candidates in South Carolina through July 10, according to an Observer analysis of campaign contributions.

Based on his 2006 contributions, he's likely to give more this fall.

A national network of associates – with direct links to Rich-related organizations such as U.S. Term Limits – contributed an additional \$150,000 to the same candidates.

In 2006, Rich and his affiliates gave \$216,000 to S.C. legislative and statewide candidates, according to the non-partisan National Institute on Money in State Politics.

Rep. Gene Pinson, R-Greenwood, calls out-of-state campaign contributors who hide behind limited liability corporations “political terrorists.”

“I let them know early on my vote was not for sale, and they let me know they were coming after me,” said Pinson, who in the June 2006 primary defeated Alan Boatwright, who received at least \$20,000 from Rich, his corporations and out-of-state associates.

“He's poured all these hundreds of thousands of dollars into these races and what does he have to show for it? School vouchers have been voted down twice. He's polarized too many in both parties.”

Rich says he's not taking advantage of the law.

In an interview posted on YouTube, he said he was contributing “money I earned honestly. I can do with it as I choose. Everything I have done is 100 percent legal.”

Rich, long associated with libertarian causes, is chairman of Americans for Limited Government and founded U.S. Term Limits.

His contributions aren't limited to South Carolina. Rich and his associates gave \$15 million to more than a half-dozen state campaigns in 2006, according to the Wall Street Journal. The Observer's analysis follows a similar one by Ross Shealy, a part-time consultant for the S.C. Association of School Administrators. The group opposes private school tax credits.

South Carolina's campaign finance laws allow individuals, as well as corporations, to contribute a maximum of \$1,000 per election cycle for the General Assembly and \$3,500 for statewide offices.

The law also allows separate contributions through corporations so that a person such as Rich, who operates 30 corporations can give \$30,000 to a candidate.

North Carolina prohibits corporate campaign contributions.

Rich, who will only respond to media questions submitted by e-mail, spoke to S.C. Republican Chairman Katon Dawson in a video posted on YouTube this summer.

In the interview, Rich said that he's in S.C. politics for as long as it takes: “I am not going away, and my groups are not going away.”

A growing backlash in South Carolina could change the contribution limits.

“Yes, Howard Rich is not violating the letter of the law, but he sure as heck is violating the intent of the law,” said Rep. Herb Kirsh, D-York, who introduced legislation last spring to limit contributions a person can give through multiple corporations.

The bill was not acted on, but Kirsh, who introduced the legislation in response to Rich's donations, plans to try it again next year with more co-sponsors Republican Deborah Long of Indian Land is running against Democrat Fred Thomas for House District 45 in York and Lancaster counties.

She's accepted \$12,000 from Rich and his associates this year and sees nothing wrong.

“I've never talked with him and there's certainly no strings attached to his money,” Long said.

In the past six months, two legislative candidates have either refused to accept Rich's money or returned it, including Republican Mick Mulvaney in the Senate District 16 race this fall in York and Lancaster counties. Mulvaney announced in September he would no longer accept money from Rich, after taking at least \$7,000 in his successful 2006 House race.

“I decided it was becoming a distraction in the campaign and wasn't allowing us to focus on subjects like education,” Mulvaney said.

Mulvaney, who is running against Democrat Mandy Powers Norrell, says he still favors private

school tax credits as a way to help students in failing public schools.

Rich maintains he's doing nothing unseemly in the Palmetto State: "South Carolinians are the ones who cast the votes, not me."

Staff writer reporter Ted Mellnik, researcher Marion Paynter and The (Columbia) State newspaper contributed.



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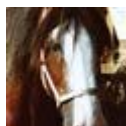
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Producer wrote on 10/14/2008 07:56:49 AM:

McClatchy does not report Obama's ties with ACORN because they are in the bag for Obama. It has been handed down that all pub on Obama must be positive. All headlines must be favorable for Obama and biased against McCain.

Acorn, Obama and a team of Chicago attorneys won a 1995 suit forcing the state of Illinois to implement the federal "motor-voter" bill. In fact, Obama's Acorn connection is far more extensive. In the few stories where Obama's role as an Acorn "leadership trainer" is noted, or his seats on the boards of foundations that may have supported Acorn are discussed, there is little follow-up. Even these more extensive reports miss many aspects of Obama's ties to Acorn.