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FEDERAL JUDGE STINGS LOST TRUST 5 CASES DISMISSED AS COURT CRIES 'FRAUD'

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Prosecutors withheld evidence, allowed their witnesses to commit perjury and lied to a judge to win convictions in the corruption investigation that shook the foundations of South Carolina politics, a federal judge said Friday in dismissing charges against five former lawmakers.

U.S. District Judge Falcon Hawkins' order cast a dark shadow over the undercover vote-selling investigation that forced state legislators to overhaul a political system rife with corruption. It suggested that 22 other former legislators and lobbyists might have escaped the sting of Operation Lost Trust had they appealed their convictions or fought the charges. It also added credence to claims of black legislators that they had been unfairly targeted when a shady lobbyist-turned-FBI informant hand-picked lawmakers to pass wads of cash while the cameras rolled.

In language whose harshness was as rare as the decision to prohibit prosecutors from ever bringing new charges against the five, Hawkins accused then-U.S. Attorney Bart Daniel of allowing "political pressure" to derail his 1990 investigation and then perpetrating "a fraud upon the court" in an effort to do damage control.

"The court is convinced that the totality of the government's actions in these matters rises to the level of egregious prosecutorial misconduct," Hawkins wrote, adding that he found the government's actions "so outrageous as to offend the sensibilities of the court."

Hawkins blistered prosecutors for repeatedly assuring the court they had given defense attorneys access to all the videotapes and transcripts collected in the investigation, only to turn up more later that showed the former lawmakers in a more favorable light.

Those same prosecutors, he said, let undercover lobbyist Ron Cobb pick the targets, ignoring friends he had bribed or given generous gifts. They then refused to pursue what the judge said were "explosive" suggestions that Dick Greer, best friend of then-Gov. Carroll Campbell, was "heavily involved in the payoffs" related to a retroactive tax cut.

Daniel, who is now in private practice in Charleston, took issue with the order and confidently predicted an appeals court would reinstate the charges against former Reps. Luther Taylor, Paul Derrick, Larry Blanding and B.J. Gordon and former Sen. J.M. "Bud" Long.

But because Hawkins accused prosecutors of misconduct and subornation of perjury, Daniel

and other attorneys involved in the case could face sanctions ranging as high as disbarment.

The 4th Circuit Court of Appeals already had ordered new trials for the former lawmakers, based on technical violations. Hawkins said defense attorneys' efforts to uncover new evidence in preparation for the second round of trials demonstrated that "some of the investigators and lead prosecutors got lost on their way to the lofty goal of weeding out drugs and corruption from the South Carolina State House."

Lost Trust's 'new meaning.' Former U.S. Attorney Pete Strom brought the new charges against the five lawmakers and later asked the U.S. Justice Department to investigate the charges of prosecutorial misconduct.

"Because Bart Daniel forgot about truth and justice, Lost Trust now has a new meaning," he said. "And it's a damn shame."

While Hawkins clearly was not comfortable with the thought of throwing out the charges - noting that he had "wrestled with some sanction short of dismissal" - he said it was the only solution "commensurate with the misconduct of the government."

"I am of the opinion that the nature and breadth of its misconduct is indicative of the drastic steps the prosecution took to win these cases," he wrote, "and the resultant injustices to these defendants cannot be fully remedied by new trials."

But Daniel stood by his handling of the cases, saying his office never intentionally withheld evidence from the court. He said it was "ludicrous" to suggest defense attorneys didn't have the information they needed to cross-examine his star witness.

"I think this goes back to when you have no defense, you try to put the prosecutors on trial," Daniel said. "Because when the evidence was on trial, it didn't take the juries very long to convict any of these people: You've got public officials caught on videotape selling their public office for cash. As they stuffed the cash in their pockets, they talked about selling their votes."

Daniel said that no matter what claims defense attorneys made, "There is no doubt, looking back, it was certainly a corrupt system, and fortunately changes have been made, and the way business is being done in the General Assembly is changed forever."

Indeed, Hawkins indicated that his ruling didn't change the fact that the relationship between legislators and lobbyists had become far too cozy before Daniel started his investigation. And legislators insisted the decision would not precipitate a return to the pre-Lost Trust atmosphere at the State House.

"The Legislature acted responsibly as a result of that sting operation and enacted one of the strictest ethics laws in the country, which we abide by today," said House Speaker David Wilkins, R-Greenville. "I don't think this decision will have any impact on some of the good, positive things that came out of Lost Trust."

'They were innocent.' But attorneys for the former lawmakers said the decision vindicated their claims that their clients never broke the law.

"It's not that these guys got off on a technicality," said Ed Bell, who represents Blanding.

"These people got off because they were innocent.

"The cases were dismissed because the government used perjured testimony to convict these people, they targeted them as minorities, and they withheld evidence that would have proved they're innocent. And I don't know if there's any more of an outrageous act than that."

Columbia attorney **Jack Swerling**, who defended Long, called the ruling "probably the most significant criminal decision that's been issued in this state against the federal government."

"The fact is that around the country, literally you can count on one hand the number of cases that a judge has ever found the conduct so egregious to warrant a dismissal for prosecutorial misconduct."

Bell said that while Blanding is "doing relatively well" working as a counselor at the Department of Social Services, he is "not as well as he probably should have been doing had he not had to go through all this."

The same could be said for others. It's unlikely any of them will return to politics. Taylor, who operates a Richland County concrete business, is in poor health. So is Gordon, a Williamsburg County minister.

Derrick, a Lexington County optometrist, did not return phone calls seeking comment.

Long, a Conway attorney, said the order removed a dark spot from his life. But he won't be returning to politics, he said: "My wife says, 'Over my dead body.' "

Staff writers Chuck Carroll, Michael Sponhour and Clif LeBlanc contributed to this report. Cindi Ross Scoppe writes about legislative actions and their effects. Call her at 771-8571.

1.Long

2.Taylor

3.Blanding

4.Derrick

5.Gordon

6.Daniel

