

The Delray Democrat

Rick Scott Governed in the Shadow of Serious Conflicts of Interest¹

June S. Neal

“No decision should ever be made without asking the question is this for the common good?” Michael Moore

This is what democracy demands of its leaders. This is what voters are entitled to expect from those who’ve accepted the sacred trust of governance.

So, when officials like Rick Scott support public projects that have the real possibility of increasing their personal investments, the people have not only the right, but the duty, to demand transparency.

When Scott became governor of Florida in 2011, he was a very wealthy man because of his severance package from his HCA hospitals’ \$1.7 billion fraud scandal. No sin to be rich. The problem was that he and his wife, Ann, held portfolios which presented so many conflicts of interest with Florida’s business. Propelled by loud criticism, Scott claimed to resolve the issue by transferring \$73.8 million dollars of investments into a “blind trust.”

However, “He transferred many assets to his wife and neither “blinded” nor disclosed them,” said [The New York Times](#). “And their investments have included corporations, partnerships and funds that stood to benefit from his administration’s actions. Their equity investments largely mirrored each other, meaning that Mr. Scott could, if he wanted, track his own holdings by following his wife’s.”

Now he wants a second term as Florida’s senator, yet his financial conflicts remain. And his protestations about a “blind trust” are meaningless, since he can see what’s in his wife’s parallel investment accounts. He and his prototype, Donald Trump, are examples of why we must not allow elected officials to enjoy unjust enrichment from public policies that increase their personal investments.

(Note: in the examples below, federal law allows for wide ranges in reporting assets.)

Drug Testing and Medicaid

Despite the HCA scandal, Scott foresaw big profits in private medical care and cofounded **Solantic**, a chain of Florida walk-in clinics. In 2011, now-Governor Scott signed an executive order requiring all state employees to undergo drug testing, at “at a maximum cost of \$3.5 million to the state,” according to the [Miami Herald](#). He later signed a bill requiring welfare recipients to undergo drug tests at their own expense. Guess who could provide that testing?

¹ [The Delray Democrat](#), August 2024, page 3.

Fortunately, Scott was smacked down by the courts. The Eleventh Circuit Court of Appeals held that requiring welfare recipients to undergo drug testing was [unconstitutional](#). It was also a huge waste: “Only 108 out of 4,086 people tested — 2.6 percent — were found to have been using [narcotics](#).”

State employees also sued the state, and in 2015 the state settled. According to the [Tallahassee Democrat](#), the state agreed not to test employees in about 1,133 of about 1,400 job classifications.

The [Miami Herald](#) reported Scott supported a bill that would benefit Solantic by moving “nearly 3 million Medicaid recipients into private managed care plans.” Although Solantic accepted traditional Medicaid at only one location, it had “contracts chainwide with several private Medicaid plans.” In June 2013, “the [federal government](#) approved the state’s request to move nearly all Medicaid beneficiaries and services into managed care, starting in 2014 on a phased-in schedule.”

Moreover, Solantic stood to benefit if access to other sources of health care were blocked. And they were, reported the [Miami Herald](#): “Scott’s budget slashes funding to public health departments, which handle checkups, immunizations and travel shots for many people who don’t have private physicians. Solantic, which charges \$50 for a basic physical and recently started catering to international travelers, could pick up some of this business.”

Hepatitis

In 2017, the [Florida Justice Institute](#) filed a lawsuit charging that as many as 40,000 Florida inmates could have some form of hepatitis C and accused Scott’s administration of failure to provide the necessary medication. So, Scott signed off on a legislative proposal to spend \$21.7 million for drugs made by **Gilead Sciences**.

The problem, as [Politico](#) said, was that “Ann Scott has an investment of between \$50,000 and \$100,000 in Gilead and claimed income from dividends and capital gains of between \$150,000 and \$1.1 million from the company last year. Scott’s investment in the company is between \$15,000 and \$50,000, and he reported dividends and capital gains income between \$100,000 and \$1 [million](#).”

Chris Hartline, the Scott campaign spokesman, told Politico that the issue is moot because “Governor Scott has never made a single decision as governor with any thought or consideration of his personal finances.” Maybe he just got lucky?

Venezuela

When human rights violations in Venezuela became egregious under President Nicolás Maduro, Governor Scott declared that Florida would boycott any companies doing business with that country. “Floridians stand with the people of Venezuela as they fight for their freedom, and as a state, we must not provide any support for Maduro and his [thugs](#).” A declaration of conscience? Nah. Just playing tough guy to impress Florida’s Venezuelan population.

The tough-guy stance didn't last long. Turns out that the powerful **Goldman Sachs Asset Management** wasn't happy, to say the least, about Scott's proposal. Goldman had purchased \$2.8 billion in bonds in Venezuela's state-run oil company and oversaw \$500 million in Florida's investment fund.

Further, Politico [reported](#) that Scott and his wife had “Between \$50,000 and \$100,000 of investments in Goldman, and from which she earned income of at least \$60,000 in the last two and a half years. Scott's blind trust had between \$15,000 and \$50,000 invested with the company, from which he earned income of at least \$30,000.”

So, Scott pulled back his original call for a boycott and as [reported](#) by the *Miami Herald*, he asked the Florida Cabinet to “prohibit the state's investment managers from doing something *they already do not do*: invest in companies or securities owned or controlled by the Venezuelan government.” Goldman could send its lobbyists home.

Natural Gas Pipeline

In 2016, construction of the Sabal Trail Pipeline, snaking through 12 Florida counties, brought protests from the Sierra Club and hundreds of individuals who picketed construction sites, handcuffed themselves to machinery, and participated in sit-ins along the line's route. They worried about the danger of explosion from the flammable gas under high pressure, the damage to wetlands and the pollution of drinking water from leakage of diesel fuel.

Governor Scott supported the project. Back in 2013, he'd signed two bills that pushed along the approval process for the controversial gas line. And why not?

[Politico](#) reported, “Scott's 2014 disclosure form shows that on the day he opened his blind trust, he had a \$53,430 investment in Spectra Energy Corp., which owns the remainder of the pipeline.”

In 2014, [Florida Bulldog](#) broke the story. “The governor owned a stake in one of the pipeline partners, **Spectra Energy**, and that he apparently still owns shares in the company through a blind trust. Florida ethics rules generally ban government officials from owning stock in companies subject to their regulation, or in companies that do business with state agencies. Scott also has holdings in other pipeline companies that produce or transport natural gas, some with Florida operations.”

Fossil Fuels

While Florida was grappling with the human misery and the billions of dollars of losses from climate change, Rick Scott and his wife were profiting from the very fossil fuels that contributed to the catastrophe. According to [reports](#), the two “owned between \$12.5 million and \$29 million worth of stock in fossil fuel companies and investment funds at the end of 2017, earning them as much as \$5 million in profits that year.”

His antagonism toward environmental protections is so great that the [Natural Resources Defense Council said](#), “Governor Scott has regularly put the wishes of corporate polluters above the needs

of Florida's environment and families. He's sided with a fringe movement of climate change deniers, defunded popular and bipartisan conservation programs, and undermined the enforcement of air, water, and climate protections." (The NRDC report offers a comprehensive list of Scott's anti-environment actions.)

High-Speed Rail

The [Miami Herald](#) was blunt: **"Rick Scott killed a high-speed rail plan. Then All Aboard rolled up and he bought it."**

In 2011, Governor Scott denied Florida a whopping \$2.4 billion in federal funds for a high-speed "bullet" train between Tampa and Orlando. It was a thumb in the eye to President Barack Obama, whose infrastructure program emphasized high-speed rail. Jump to 2018, and Scott flips and supports the idea—*but built with private money*. In 2017, he and his wife had invested at least \$3 million in a credit fund for All Aboard Florida's parent company, Fortress Investment Group, the parent company of Florida East Coast Industries which owns All Aboard Florida. All Aboard is now Brightline.

Private Prisons

Florida has seven major prisons operated by private corporations. Their business model is minimizing investments and maximizing profits for shareholders. This means keeping operating costs down, including the pay for guards. Things in Florida's private prisons are so bad that, following a report by the Bureau of Private Prison Monitoring, "a group of bipartisan lawmakers threatened [contracts](#)."

Remember when Trump separated immigrant children from their families and detained them in cages? In response, Bank of America and other financial institutions announced they would no longer do business with private prisons benefiting from these inhumane practices.

One of those facilities was the Boca Raton-based [GEO Group](#), which operates five facilities in Florida on behalf of U.S. Immigration and Customs Enforcement (ICE). GEO donated a total of [\\$414,000](#) to various Scott campaign accounts. In 2018, [Open Secrets](#) reported that, "Since October 2016, GEO Group and its subsidiaries had received "\$560 million from contracts awarded by Immigration and Customs Enforcement (ICE) and oversee a number of ICE detention facilities." Scott approved the deal.

As usual, Scott was on the wrong side of public service. "No candidate benefited more from the largess of private prisons last year (2019) than Florida's Rick Scott," accused the [Tampa Bay Times](#). "Rick Scott stands up for the private prisons that bankrolled his Senate campaign. Bank of America stopped lending to companies that assist President Trump's immigration policies, like GEO Group."

In response, Scott [tweeted](#), "A few yrs ago, [@BankofAmerica](#) got a \$20 billion bailout. Now their CEO says they disagree with federal immigration policy and want to cut ties. If you don't support the policies of the federal government, you shouldn't benefit from doing business with the federal

government.” He failed to say that BOA repaid the loan with interest. He also failed to acknowledge that corporations have a duty to disengage with businesses whose practices they consider immoral.

Fortunately, the mess was more than some other politicians would tolerate. [OpenSecrets.org](https://www.opensecrets.org) reported that “10 members of Congress, eight of them Democrats, have recently rejected GEO’s campaign contributions.” Not Scott. And today, guess who is the number one Senate race recipient from for-profit prisons? Yep, according to [Open Secrets](https://www.opensecrets.org), it’s Rick Scott with \$64,900. (Donald Trump is the top recipient out of all candidates with \$66,131.)

In a scathing report, the American Federation of State, County and Municipal Employees (AFSCME) said: “Private prisons are inherently corrupt enterprises that have no place in a fair and well-managed criminal justice [system.](#)”

And compromised politicians have no place in a fair and well-managed government.