

The Bandera PROPHECY

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Today in Texas history
Sharpstown scandal purges body politic

By Bandera Spirits of Texas

On Jan. 18, 1971, the U.S. Securities and Exchange Commission filed suit in federal court alleging stock fraud against a number of Texas state officials accused of making profitable, quick-turnover, bank-financed stock purchases in return for the passage of legislation desired by a financier, Houston businessman Frank W. Sharp.

The political turmoil from the Sharpstown scandal resulted in a "reform" movement that eventually saw much of the legislature replaced.

Reform laws passed in 1973 required state officials to disclose their sources of income, forced candidates to make public more details about their campaign finances, opened up most governmental records to citizen scrutiny, expanded the requirement for open meetings of governmental policy-making agencies, and imposed new disclosure regulations on paid lobbyists.