

STIPULATIONS OF FACT

The Senate Ethics Committee, through its counsel, Deborah B. Barbier, and Senator Raymond Cleary, through his counsel Peter Protopapas, enter into this Stipulation of Facts, for the purpose of resolving allegations related to the misuse of the campaign account of Senator Cleary.

The following facts are hereby stipulated by and between the respective parties:

VIOLATION #1: MISREPRESENTED REFUND OF \$7,900.00

Senator Cleary hereby stipulates and agrees to the following regarding violation #1:

Senator Cleary failed to refund his campaign fund in the amount of **\$7900.00** after representing that he had made this refund. Specifically, on January 10, 2015 he filed an Amended Campaign Report which included an item dated February 2, 2015 indicating a \$7900.00 reimbursement for a trip to Israel and Turkey to allegedly cover airfare, hotel and meals. This trip was not taken. There was a deposit item listed for \$7,500 as reimbursement on the 4th quarter 2014 report which was subsequently amended and reported on the 3rd quarter report for 2015. The deposit actually made August 12, 2015 for \$7,500 was \$400 short of full reimbursement.

VIOLATION #2: MISREPRESENTED IDENTITY OF PAYEE OR AMOUNTS

Senator Cleary hereby stipulates and agrees to the following regarding violation #2:

Senator Cleary negligently misrepresented nine (9) items on the campaign forms from January 2013 through December 2015. The following items were not properly substantiated or had illegible documentation to support reimbursement to Senator Cleary:

- a) Check #1103 dated April 18, 2013 in the amount of \$3,700 was reported on the campaign form as payable to "Marcom Strategies", but the check was actually payable to "Tom Herron".
- b) Check #1110 dated August 11, 2013 in the amount of \$1,358.96 was payable to Raymond Cleary, but was reported as being payable to "ALEC Meeting".
- c) Check #1125 dated January 2, 2014 in the amount of \$1,056.22 was represented as an expense reimbursement to Senator Cleary. Insufficient handwritten notes were submitted to attempt to explain this reimbursement, but there was no official or authentic documentation offered to support this reimbursement.
- d) Check #1134 dated June 6, 2014 in the amount of \$1,500 was reported on the campaign form as being payable to "SC Dialogue Foundation", but the actual payee was Raymond Cleary.

- e) Check #1139 dated June, 21 2014 in the amount of \$2,099.81 was payable to Raymond Cleary, but was reported on the campaign form as three separate reimbursements for various dates during the first and second quarter. The receipts submitted are illegible and did not total the full amount reimbursed.
- f) Check #1156 dated December 27, 2014 in the amount of \$505.00 was reported on the campaign form as payable to "Glenn's Bay Dental", but the actual payee was "Hal Capps". The receipt submitted was from Glenn's Bay Dental.
- g) Check #1185 dated November 11, 2015 in the amount of \$959.76 was reported on the campaign form as payable to "Cardmember Services" in the amount of \$1,315. Insufficient handwritten notes were submitted which indicated that state purchases for Christmas gifts for staff members but insufficient documentation provided.
- h) Check #1188 dated November 20, 2015 in the amount of \$959.76 was reported on campaign form as payable to Cardmember Services, but the actual payee was Capital One. Insufficient documentation was provided to support this payment.
- i) Check #1190 dated December 1, 2015 in the amount of \$653.74 was reportedly payable to Cardmember Services, but the actual payee was American Express. Insufficient documentation was provided to support this payment.

The total amount of negligently misrepresented expenses was **\$13,152.49**. However, the actual amounts on the documentation submitted for these expenses totaled **\$12,793.25**.

VIOLATION #3: UNREPORTED EXPENSES

Senator Cleary hereby stipulates and agrees to the following regarding violation #3:

Senator Cleary failed to report eight (8) item campaign expenditures that he made from January 2013 through December 2015. The expenses unreported totaled **\$7,700.83**. Section 8-13-1308(F) also requires, generally, that the name and address of each person to whom an expenditure is made from campaign funds, along with the date, amount, purpose and beneficiary of the expenditure, be reported on the campaign disclosure report. Additionally, S.C. Code Ann. Section 8-13-1360(8) (Supp. 2014) mandates that credit card expenses be itemized so that the purpose and recipient of the expenditure are identified.

The unreported campaign expenditures are as follows:

- a) Check #1100 to Raymond Cleary dated April 1, 2013 in the amount of \$1,052.17 was not included on the campaign form. Insufficient documentation was submitted to support these expenses;
- b) Check #1131 to Raymond Cleary dated April 10, 2014 in the amount of \$1918.83 was not included on the campaign form. Handwritten notes were provided, but these notes do not substantiate the reimbursement.
- c) Check #1147 to Raymond Cleary dated September 11, 2014 in the amount of \$1,070.40 was not included on the campaign form. Insufficient documentation was offered to substantiate this reimbursement;

The total amount of Senator Cleary's insufficiently documented reimbursements to himself is **\$6,950.16**.

VIOLATION #5: DIRECT PAYMENT TO CREDIT CARD COMPANIES

Senator Cleary hereby stipulates and agrees to the following regarding violation #5:

Senator Cleary made a number of direct payments to credit card companies totaling **\$7,267.61**. Some of these payments were reported and others were not reported. Insufficient documentation was submitted to verify that all of the transactions were business expenses. Numerous meal and entertainment receipts were submitted, however they were not paid for using the credit card at issue and in some instances were dated after reimbursement was made.

<u>Year</u>	<u>Check No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Posted</u>	<u>Notes</u>
2015	1166	Cardmember (Chase)	\$ 540.92	5/15/15	
2015	1171	American Airlines Mastercard	\$3318.27	8/11/15	
2015	1185	Cardmember (Chase)	\$ 959.76	11/6/15	
2015	1189	Bank of America	\$ 835.16	12/4/15	(Reported as Cardmember Ser.)
2015	1188	Capital One	\$ 959.76	12/10/15	(Reported \$1315 as Card. Ser.)
2015	1190	American Express	\$ 653.74	12/10/15	(Reported as Cardmem. Ser.)

The total amount of Senator Cleary's insufficiently documented credit card payments is **\$7,267.61**.

VIOLATION # 6: UNREPORTED CAMPAIGN CONTRIBUTIONS

Senator Cleary hereby stipulates and agrees to the following regarding violation #6:

There were numerous failures by Senator Cleary to report campaign contributions during certain quarters of the reporting periods of the years 2013, 2014, and 2015.

Specifically, in the fourth quarter of 2013, a contribution of \$250.00 was omitted.

In the second quarter of 2014, contributions were under reported by \$1,250.00, but \$565.00 was included in the third quarter report. There were unreported contributions in the third quarter of \$10,120.00 of which \$565.00 should have been on the second quarter report. On the fourth quarter report, \$3,200 in contributions should have been reported on the third quarter report and an additional \$500.00 was omitted from the fourth quarter report.

In the first quarter of 2015, reported contributions are correct, but a refund payment from a law firm for \$459.52 was omitted. The second quarter report for 2015 did not identify a deposit of \$500.00 to Senator Cleary's campaign money market account. Moreover, the fourth quarter

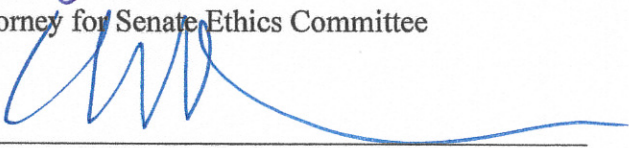
report did not include a reimbursement from ALEC of \$1,443.20 and a \$500 deposit to the money market account.

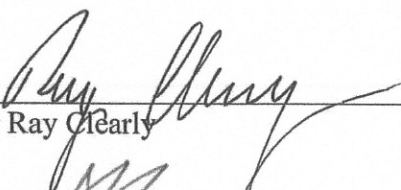
A total of **\$13,120.00** in campaign contributions was unreported on Senator Cleary's campaign contribution reports during the years 2013, 2014 and 2015.

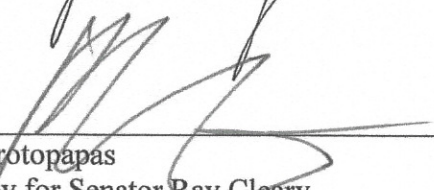
This Stipulation of Facts is entered into by both parties willingly, knowingly and voluntarily and in recognition of the fact that each side has waived its right to a fact finding hearing at which the Senate Ethics Committee would have the burden of proof.

Agreed to in substance and in form:



Deborah B. Barbier
Attorney for Senate Ethics Committee

Senator Luke Rankin
Chairman of Senate Ethics Committee

Senator Ray Cleary

Peter Protopapas
Attorney for Senator Ray Cleary