

# Senate Ethics Committee

LUKE A. RANKIN  
CHAIRMAN

SUITE 205  
GRESSETTE OFFICE BUILDING  
TELEPHONE: (803) 212-6410  
FAX: (803) 212-6499



LEONARD P. ODOM  
RESEARCH DIRECTOR

LAURIE TRAYWICK  
ADMINISTRATIVE ASSISTANT

THE SENATE OF SOUTH CAROLINA  
P. O. BOX 142  
COLUMBIA, SOUTH CAROLINA 29202

## ORDER OF PUBLIC REPRIMAND AND CIVIL FINES

The South Carolina Senate Ethics Committee (the "Committee") met on April 16, 2015, to review four allegations of noncompliance pertaining to Representative Carl L. Anderson's ("Representative Anderson") campaign for Senate District 32.<sup>1</sup> Although Representative Anderson is a member of the South Carolina House of Representatives, the Committee has jurisdiction in this matter, because these allegations pertain to Representative Anderson's candidacy for the Senate. The four allegations are as follows: (1) Representative Anderson filed a false Campaign Disclosure Report; (2) Representative Anderson failed to report campaign contributions; (3) Representative Anderson failed to report campaign expenditures; and (4) Representative Anderson accepted and deposited anonymous cash contributions into his Senate campaign banking account.

The Committee's investigation originated with Representative Anderson's 2014 Special Primary Pre-Election Campaign Disclosure Report (the "Initial Report"), filed August 25, 2014, on which he failed to identify his campaign contributors. After several written and verbal requests from the Committee, and being granted several extensions of time to comply, Representative Anderson failed to amend his Initial Report to identify these contributors or supply the Committee with records of such contributors.

Additionally, on January 28, 2015, Representative Anderson filed a Final Campaign Disclosure Report (the "Final Report") and reported a single expenditure in the amount of \$2,797.75 paid to Discover Financial Services ("Discover") on September 26, 2014. Representative Anderson failed to itemize that credit card expenditure to include the names of the vendors and the actual amounts paid to those vendors. On January 29, 2015, the Committee again wrote Representative Anderson and requested that he amend his Initial Report to identify his contributors and amend his Final Report to itemize the expenditures paid with the Discover card. The letter noted that it was the Committee's "Final Request for Compliance" and requested compliance no later than February 13, 2015. Representative Anderson again failed to comply with the Committee's requests. As a result, the Committee then authorized and issued subpoenas to various third-parties to obtain the necessary campaign records to conduct a review.

Based on the documents received in response to the Committee's subpoenas, the Committee finds substantial evidence to support a finding that probable cause exists to support

---

<sup>1</sup> Representative Anderson was a candidate in the Special Primary Election for Senate District 32, which was held on September 2, 2014.

each of the alleged violations on its face. However, the Committee finds no evidence of criminal intent<sup>2</sup>, and, therefore, these are all civil violations. The details of the Committee's findings and its Orders are addressed below for each of the violations.

**VIOLATION #1: FILING A FALSE CAMPAIGN DISCLOSURE REPORT**

The Committee finds that Representative Anderson's Final Report was false. The Final Report reflects only a single expenditure reportedly paid to Discover on September 26, 2014, in the amount of \$2,797.75. This expenditure zeroed-out the remaining \$2,797.75 of contributions on hand and, thus, allowed the Final Report to be filed. A final report indicates that the balance of funds in the campaign banking account is zero and terminates further filing obligations with respect to that campaign account.

The Committee subpoenaed Representative Anderson's Senate campaign banking account statements and Discover credit card statements. From these documents, the Committee discovered that no payment had been made to Discover from Representative Anderson's Senate campaign banking account on or before September 26, 2014, as he had reported on the Final Report. The Committee further found that no payment had been made to Discover from Representative Anderson's Senate campaign banking account as of January 28, 2015, which was the date that he filed the Final Report. The Committee also discovered that Representative Anderson's Senate campaign banking account did not have a zero balance in September 2014, as suggested by the Final Report. Instead, the Committee found that the account remained open with contributions on hand in the amount of \$1,609.77 until February 9, 2015.

Therefore, the Committee finds that Representative Anderson falsely reported the \$2,797.75 payment to Discover on his Final Report and further misrepresented that the balance in his Senate campaign banking account was zero as the result of this expenditure.<sup>3</sup> The Committee further finds that the maximum civil fine is warranted for this violation based on Representative Anderson's deception to the Committee and the public. Consequently, the Committee hereby imposes the **maximum civil fine of \$2,000** for this violation.

**VIOLATION #2: FAILING TO REPORT CAMPAIGN CONTRIBUTIONS**

Representative Anderson failed to identify on his Initial Report the individuals and entities that contributed to his Senate campaign. Representative Anderson also failed to accurately report the total amount of contributions that he accepted for his Senate campaign. S.C. Code Ann. Section 8-13-1308(F) (Supp. 2014) requires that the contributor's name, address, the amount of the

---

<sup>2</sup> A review of Representative Anderson's Senate campaign banking account records did not reflect any inappropriate use of campaign expenditures; instead, it reflected only unreported campaign contributions and expenditures. Additionally, the Committee found the fact that Representative Anderson deposited the anonymous cash contributions established that there was no intent to convert the cash to personal use.

<sup>3</sup> Although Representative Anderson falsely reported the \$2,797.75 payment to Discover, the Committee discovered that he had utilized his Discover card to make legitimate campaign-related purchases totaling \$3,841.44. However, he failed to report these as expenditures on his campaign disclosure report. On February 9, 2015, Representative Anderson closed his Senate campaign banking account and directed the bank to remit the remaining \$1,609.77 to Discover.

contribution, and date of receipt be reported on the campaign disclosure report for all contributions greater than \$100. Section 1308(F) also requires that the total amount of contributions accepted be reported on the campaign disclosure report. The Committee made several written and verbal requests for Representative Anderson to amend his Initial Report to properly report his campaign contributions, but he failed to comply.

The Committee then subpoenaed copies of all checks deposited into Representative Anderson's Senate campaign banking account. From these records, the Committee discovered that Representative Anderson had accepted and deposited 35 checks totaling \$7,940 into his Senate campaign banking account. Of these 35 checks, 13 were for amounts greater than \$100 and totaled \$6,800, and the other 22 were for amounts less than \$100 and totaled \$1,140. The campaign banking account records also identified four (4) cash deposits totaling \$735 for which Representative Anderson failed to identify the contributors. The total amount of contributions deposited into Representative Anderson's Senate campaign banking account was \$8,675.

The Committee finds that, at a minimum, Representative Anderson failed to report the names, addresses, contribution amounts, and dates of receipt for those 13 contributions that were greater than \$100 in amount. The Committee also finds that Representative Anderson failed to report that he received \$8,675 in total contributions to his Senate campaign. The Committee further finds that even if Representative Anderson did not maintain the necessary records to accurately file and amend his Initial Report to properly report these contributions, he easily could have obtained this information from his bank. Consequently, the Committee hereby imposes a **civil fine of \$2,000** against Representative Anderson for his failure to report these campaign contributions.

### **VIOLATION #3: FAILING TO REPORT CAMPAIGN EXPENDITURES**

The Committee also discovered from the documents responsive to its subpoenas that Representative Anderson failed to report 28 of the 33 campaign expenditures that he made. 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.

Representative Anderson's Initial Report listed four (4) campaign expenditures totaling \$1,727.25, but his Senate campaign banking account statements and copies of his canceled checks reflected that 29 expenditures had been made from the account. The Committee found that Representative Anderson had combined two expenditures into one entry on the Initial Report, and, thus, he had reported a total of 5 of the 29 expenditures that were paid from his Senate campaign banking account. These 29 expenditures totaled \$8,675.<sup>4</sup>

The Committee also discovered that Representative Anderson made at least four (4) campaign-related purchases with his Discover card, which totaled \$3,841.44. Representative

---

<sup>4</sup> This amount includes the \$1,609.77 balance remaining in the account on February 9, 2015, which Representative Anderson directed his bank to remit to Discover.

Anderson failed to report these four (4) expenditures. Representative Anderson's Final Report contained one expenditure in the amount of \$2,797.75 reportedly paid to Discover on September 26, 2014, but, as previously discussed, that payment was never made.

The Committee finds that Representative Anderson, at the very least, easily could have obtained copies of his canceled checks from his bank to fulfill the campaign expenditure reporting obligations imposed by Section 8-13-1308(F) and to comply with the Committee's subsequent requests. Consequently, the Committee hereby imposes a **civil fine of \$2,000** against Representative Anderson for his failure to report these campaign expenditures.

VIOLATION #4: **ACCEPTING ANONYMOUS CASH CONTRIBUTIONS**

Representative Anderson's Senate campaign banking account statements reflected that he made four (4) cash deposits totaling \$735 into this account. Representative Anderson failed to identify these contributors' names and addresses and confirm whether any of the cash contributions exceeded \$25.

S.C. Code Ann. Section 8-13-1314(A)(2) (Supp. 2014) states, in pertinent part, that "no candidate or anyone acting on his behalf shall solicit or accept . . . (2) a cash contribution from an individual unless the cash contribution does not exceed twenty-five dollars and is accompanied by a record of the amount of the contribution and the name and address of the contributor." Additionally, S.C. Code Ann. Section 8-13-1324(B) (Supp. 2014) provides that the recipient of any anonymous contribution "shall not keep the contribution but within seven days remit the contribution to the Children's Trust Fund."

The \$735 of cash contributions that Representative Anderson accepted and deposited into his Senate campaign banking account are anonymous contributions, because he has not identified the names and addresses for the contributors of those funds. Furthermore, it cannot be determined from the deposit records whether the cash contributions were \$25 or less. Therefore, Representative Anderson must **remit \$735 to the Children's Trust Fund**.

**COMMITTEE ORDERS**

1. The Committee hereby Orders that Representative Carl L. Anderson be and is hereby **PUBLICLY REPRIMANDED** for the hereinabove violations of Article 13 of South Carolina's Ethics, Government Accountability, and Campaign Reform Act.
2. The Committee hereby Orders the following civil fines be imposed against Representative Carl L. Anderson: (1) a civil fine of \$2,000 for filing a false Senate campaign disclosure report; (2) a civil fine of \$2,000 for failing to report Senate campaign contributions; and (3) a civil fine of \$2,000 for failing to report Senate campaign expenditures. These civil fines total **\$6,000** and should be remitted to the Senate Ethics Committee **on or before June 1, 2015**.
3. The Committee hereby Orders that Representative Carl L. Anderson **remit \$735 to the Children's Trust Fund**. This amount represents the amount of anonymous cash

contributions that Representative Anderson accepted and deposited into his Senate campaign banking account.

[The Remainder of this Page was Intentionally Left Blank.]

AND IT IS SO ORDERED, this 16<sup>th</sup> day of April, 2015.

Senator Luke A. Rankin, Chairman

Luke A. Rankin

Senator Nikki G. Setzler

Nikki G. Setzler

Senator John W. Matthews, Jr.

John W. Matthews, Jr.

Senator Hugh K. Leatherman, Sr.

Hugh K. Leatherman, Sr.

Senator Harvey S. Peeler, Jr.

Harvey S. Peeler, Jr.

Senator John E. Courson

John E. Courson

Senator Robert W. Hayes, Jr.

Robert W. Hayes, Jr.

Senator Glenn G. Reese

Glenn G. Reese

Senator Darrell Jackson

Darrell Jackson

Senator C. Bradley Hutto

C. Bradley Hutto

UNREPORTED CONTRIBUTORS > \$100 (CHECKS)

<u>Bank Statement</u>	<u>Contributor</u>	<u>Deposit Date</u>	<u>Amount</u>
7/24 - 9/1 2014	Smith, Charles	24-Jul	\$ 250.00
7/24 - 9/1 2014	Deas, Norman and Onetta	24-Jul	\$200.00
7/24 - 9/1 2014	Bivens, Donnie and Debra	1-Aug	\$200.00
7/24 - 9/1 2014	Scoville, Jack Jr. and Lindsay	1-Aug	\$300.00
7/24 - 9/1 2014	Harmon, Gerald and Lnda	6-Aug	\$500.00
7/24 - 9/1 2014	Hutchinson, E. Benjamin	6-Aug	\$500.00
7/24 - 9/1 2014	Three Rivers Therapy	6-Aug	\$150.00
7/24 - 9/1 2014	Tilley, Timothy and Rose	18-Aug	\$1,000.00
7/24 - 9/1 2014	Trucking Industry NonPar PAC	18-Aug	\$1,000.00
9/2 - 9/30 2014	Burgess, Beverly and Michael	2-Sep	\$500.00
9/2 - 9/30 2014	Carter, Michael	2-Sep	\$200.00
9/2 - 9/30 2014	The SCEA Fund for Children	2-Sep	\$1,000.00
9/2 - 9/30 2014	Realtors PAC	10-Sep	\$1,000.00
			<b>\$6,800.00</b>

**UNREPORTED CONTRIBUTIONS <= \$100 (CHECKS)**

<u>Bank Statement</u>	<u>Contributor</u>	<u>Deposit Date</u>	<u>Amount</u>
7/24 - 9/1 2014	Holmes, Emma	24-Jul \$	50.00
7/24 - 9/1 2014	Witherspoon, Mike and Patricia	24-Jul \$	100.00
7/24 - 9/1 2014	Columbia District AME Church	24-Jul \$	100.00
7/24 - 9/1 2014	Vernon, Marie or Paul	25-Jul \$	100.00
7/24 - 9/1 2014	Gamble, Leon or Bessie	1-Aug \$	5.00
7/24 - 9/1 2014	Keith, Bernadine	1-Aug \$	25.00
7/24 - 9/1 2014	McKoy, Gladys/Bonds, Margaret	1-Aug \$	25.00
7/24 - 9/1 2014	Wilson, W.B.	1-Aug \$	50.00
7/24 - 9/1 2014	Kolman, Larry and Nancy	1-Aug \$	100.00
7/24 - 9/1 2014	Harrell, Myra	1-Aug \$	25.00
7/24 - 9/1 2014	Robinson, Dorothy/Jones, Connie	1-Aug \$	20.00
7/24 - 9/1 2014	Gadson, Willie	1-Aug \$	10.00
7/24 - 9/1 2014	Jones, Connie	1-Aug \$	20.00
7/24 - 9/1 2014	Brown, Patricia or Roscoe	1-Aug \$	50.00
7/24 - 9/1 2014	Tucker, Jacquelyn	6-Aug \$	50.00
7/24 - 9/1 2014	Ford, J Randolph	6-Aug \$	50.00
7/24 - 9/1 2014	Hudson, Sara or James	6-Aug \$	25.00
7/24 - 9/1 2014	Richardson, Ethel	6-Aug \$	15.00
7/24 - 9/1 2014	Ford, Bernard or Joann	20-Aug \$	20.00
7/24 - 9/1 2014	Flowers, George Sr or Patricia	20-Aug \$	100.00
9/2 - 9/30 2014	Black, J.B. or Carolyn	2-Sep \$	100.00
9/2 - 9/30 2014	Bellamy, Ethel	2-Sep \$	100.00
		\$	<b>1,140.00</b>



**UNREPORTED EXPENDITURES FROM CAMPAIGN BANKING ACCOUNT**

<u>Bank Statement</u>	<u>Vendor</u>	<u>Check Date</u>	<u>Amount</u>	<u>Item/Vendor Description</u>
7/24 - 9/1 2014	S&S Custom Printing	7-Aug	\$216.00	T-shirts
7/24 - 9/1 2014	John Wright	9-Aug	\$250.00	Dinner
7/24 - 9/1 2014	Wal-Mart	11-Aug	\$47.98	No Canceled Check
7/24 - 9/1 2014	The Georgetown Times	13-Aug	\$100.75	Ad - 241252
7/24 - 9/1 2014	The Georgetown Times	20-Aug	\$100.75	Ad - 241252; 1202871
7/24 - 9/1 2014	WTUA	21-Aug	\$450.00	Radio Spots
7/24 - 9/1 2014	WLMC	22-Aug	\$112.50	Radio Spots (15)
7/24 - 9/1 2014	Georgetown High Sch Booster	25-Aug	\$50.00	Competition Team
7/24 - 9/1 2014	The Georgetown Times	25-Aug	\$100.75	Ad- 241252; (1204982)
7/24 - 9/1 2014	Sheldon Butts	29-Aug	\$400.00	Get Out To Vote
9/2 - 9/30 2014	Theresa Brooks	23-Aug	\$225.00	Reimbursement (J.J. M)
9/2 - 9/30 2014	WTUA	29-Aug	\$150.00	Radio Spots
9/2 - 9/30 2014	WPDT	29-Aug	\$150.00	Radio Spots
9/2 - 9/30 2014	Robert Russell	29-Aug	\$600.00	Get Out To Vote
9/2 - 9/30 2014	WLMC	31-Aug	\$112.50	Radio Spots
9/2 - 9/30 2014	Food Pantry	2-Sep	\$126.00	Lunch
9/2 - 9/30 2014	Annette Brayloy	2-Sep	\$500.00	Get Out To Vote
9/2 - 9/30 2014	The Georgetown Times	2-Sep	\$100.75	Ad (Acct 241252)
9/2 - 9/30 2014	TD Bank	11-Sep	\$1,000.00	
9/2 - 9/30 2014	George Miller	11-Sep	\$320.00	Dinner
10/1 - 11/2 2014	Eric Topin	2-Sep	\$75.00	Get Out To Vote
10/1 - 11/2 2014	Anna Topin	2-Sep	\$75.00	Get Out To Vote
10/1 - 11/2 2014	K. Houseworth	2-Sep	\$75.00	Get Out To Vote
2/2 - 3/1 2015	Discover	9-Feb	\$1,609.77	
				Final Expenditure - made 4 1/2 mos. after Final Report
TOTAL			<b>\$6,947.75</b>	

EXCLUDES expenditures that did NOT pass through the campaign account

UNREPORTED EXPENDITURES PAID VIA DISCOVER CARD

<u>Vendor</u>	<u>Purchase Date</u>	<u>Amount</u>	<u>Item Description</u>
Victorystore.com	11-Jul \$	1,285.00	500 -- 18 x 24 Corrugated Plastic Signs/Stakes
Victorystore.com	30-Jul \$	1,348.80	500 -- 18 x 24 Corrugated Plastic Signs/Stakes
Victorystore.com	13-Aug \$	402.74	250 -- 18 x 24 Corrugated Plastic Signs/500 Frames
Victorystore.com	19-Aug \$	804.90	250 -- 3.75 x 6 Bumper Magnets
	\$	<b>3,841.44</b>	

CASH DEPOSITS

<u>Bank Statement</u>	<u>Deposit Date</u>	<u>Amount</u>
7/24 - 9/1 2014	25-Jul \$	100.00
7/24 - 9/1 2014	1-Aug \$	467.00
7/24 - 9/1 2014	6-Aug \$	168.00
	\$	<b>735.00</b>

All cash contributors are unknown, and the amount of each cash contribution is unknown. Thus, \$735 must be remitted to Childrens Trust Fund.