

# HOUSE LEGISLATIVE OVERSIGHT COMMITTEE

## 2022 STUDY OF THE ETHICS COMMISSION EXECUTIVE SUMMARY

*Effects applied to an original photograph courtesy of Sam Holland Photography – Sam Holland, Photographer*

## Oversight Purpose and Methods

### PURPOSE

To determine if agency laws and programs:

- are being implemented and carried out in accordance with the intent of the General Assembly; and
- should be continued, curtailed, or eliminated.

### METHODS

The Committee and Subcommittee evaluate:

- the application, administration, execution, and effectiveness of the agency’s laws and programs;
- the organization and operation of the agency; and
- any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation pertaining to the agency.

S.C. Code Ann. § 2-2-20(B) and (C)

## Study Process



## Public Input

- 33** Responses to an online public survey
- 1** Online comment received
- 2** Constituents testify

## Subcommittee Membership

### EXECUTIVE SUBCOMMITTEE

The Honorable Joseph H. Jefferson (chair)  
The Honorable Wm. Weston J. Newton

The Honorable Travis A. Moore  
The Honorable Melissa Lackey Oremus

## Study Milestones

### MEETINGS

|                       |            |
|-----------------------|------------|
| <b>Full Committee</b> | 12.09.2019 |
|                       | 4.08.2021  |
|                       | 8.08.2022  |
| <b>Subcommittee</b>   | 4.29.2021  |
|                       | 5.13.2021  |
|                       | 7.20.2021  |
|                       | 10.4.2021  |

### AGENCY REPORTS

|                |                                          |
|----------------|------------------------------------------|
| March 2015     | Seven-Year Plan Report                   |
| September 2020 | FY 2018-19 Accountability Report         |
| March 2021     | Program Evaluation Report <i>updated</i> |
| September 2021 | FY 2019-20 Accountability Report         |

## Findings

The **Committee makes seven findings**. Findings note information that a member of the public, or General Assembly, may seek to know or on which they may desire to act.

### ACCOUNTABILITY

1. Most unresolved ethics filing violations originate from candidates for various offices.
2. There may be an ambiguity in statute enabling governor and lieutenant governor campaigns to receive unlimited contributions.

### EFFECTIVENESS

3. One seat on State Ethics Commission has been vacant for over a year.
4. State Ethics Commission continues to progress through development of soft skills for management, tracking of customer calls/input, improved technology, and collaboration with other ethics entities.
5. State Ethics Commission personnel are unable to determine all individuals that must comply with the Ethics Act due, in part, to the fluid number of individuals serving in the different roles subject to the Ethics Act. See Recommendation #19.

### EFFICIENCY

6. More than 30 state agencies, including the State Ethics Commission, report some amount of redundant, manual reentry of data from another agency. State annually utilizes over \$100M in employee time manually reentering data. See Recommendations #16 and #17.

### TRANSPARENCY

7. Requirements in partisan and nonpartisan elections are not uniform.

## Recommendations

The **Committee has 26 recommendations** (19 to State Ethics Commission; 3 to General Assembly; 1 to State Treasurer’s Office; 1 to Office of House Research; 1 to State Election Commission; and 1 to Secretary of State’s Office) that continue, curtail, and/or eliminate agency programs, and include areas for potential improvement. The Committee recognizes these recommendations will not satisfy everyone nor address every issue or potential area of improvement at the agency.

## Recommendations to State Ethics Commission

|                       |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ACCOUNTABILITY</b> | <b>REGULATIONS</b>                              | 1. Complete a review of agency regulations; during the review consider changes necessitated by relevant judicial opinions. Publish a notice of drafting to begin the formal process of updating the regulations.                                                                                                                                                                                                                                                     |
|                       | <b>DUTIES</b>                                   | 2. Post online documents commissioners are required to sign, including, but not limited to, those in which they acknowledge their duties as a commissioner.                                                                                                                                                                                                                                                                                                          |
| <b>EFFECTIVENESS</b>  | <b>VIOLATION AVOIDANCE</b>                      | 3. Survey stakeholders (e.g., candidates and county voter registration boards) to determine methods through which candidates are currently receiving information about ethics requirements and obtain ideas to improve the effectiveness of communication. Provide the Committee a summary of the following: (1) information learned; (2) any ideas the agency will pursue; and (3) how the agency will determine the effectiveness of the ideas it is implementing. |
|                       |                                                 | 4. Update agency materials and correspondence to include how to follow the agency’s social media accounts that send reminders about filing deadlines.                                                                                                                                                                                                                                                                                                                |
|                       | <b>VIOLATION DISCOVERY</b>                      | 5. Set a regular schedule to conduct random audits of ethics filings.                                                                                                                                                                                                                                                                                                                                                                                                |
|                       | <b>VIOLATION TREND AND CAUSE IDENTIFICATION</b> | 6. Request feedback from Ethics Act violators, to the extent feasible, to obtain information to help improve compliance.                                                                                                                                                                                                                                                                                                                                             |
|                       |                                                 | 7. Adapt Ethics Electronic Portal to track noncompliance and violations in total and by type (e.g., fine, appeal, request for information, hearing, etc.) and category of individual (e.g., elected public official, appointed public office, appointed public member, public employee, etc.) in the next twelve months, and track this information going forward.                                                                                                   |
|                       | <b>DEBTORS LIST</b>                             | 8. Collaborate with the Department of Health and Environmental Control, House Ethics Committee, and Senate Ethics Committee about the possibility of receiving information on a regular basis through which the entities may update their debtors list by removing the names of deceased individuals.                                                                                                                                                                |

FOR AGENCY

9. Complete the Department of Administration’s Division of State Human Resources’ (State HR) telecommuting toolkit and provide a copy to the Committee with an explanation of whether it will submit the information to pursue additional telecommuting options for employees.
10. Update agency policies and/or job requirements to ensure there is a notary in the office during normal business hours.

EFFICIENCY

FOR CUSTOMERS

11. Track the number of unique individuals who call the agency office over the next 24 months to determine if alternative means of filing complaints are requested, and, based on results, consider options available (e.g., enabling submission of electronic complaints and electronic notarization). Provide the Committee a summary of the results obtained, agency decision, and rationale.
12. Publish online a reference document with a list of the entities to contact for complaints about elected and appointed individuals at different levels of federal, state, and local government (e.g., Federal Ethics Commission, State Ethics Commission, House Ethics Committee, Senate Ethics Committee, etc.).

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TO PUBLIC

TRANSPARENCY

13. Enable the public to: (1) download information from the Ethics Electronic Portal in formats for analysis (i.e., CSV, Excel); and (2) request/receive notifications when there are certain changes in the system (e.g., new filings).
  14. Ensure the Ethics Electronic Portal can provide reports, and supporting data to download, with certain information about Ethics Act violators and violations to assist the agency and General Assembly in continuing to find ways to improve overall compliance.
  15. Update information in the agency’s accountability report to match the Program Evaluation Report, or agency current operations and continue tracking applicable data about services, performance, and organization.
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MANUAL DATA RE-ENTRY AVOIDANCE

16. Evaluate the potential benefits of negotiating, and enter if beneficial, a data sharing agreement with the Department of Revenue to enable receipt of information about collections on fines to avoid the need for manual reentry of the information.<sup>See Finding #6.</sup>

INTERAGENCY COLLABORATION

17. Evaluate the potential benefits of negotiating, and enter if beneficial, a data sharing agreement with the State Election Commission and Secretary of State’s Office to avoid duplication of efforts and manual reentry related to elections and appointments.<sup>See Finding #6.</sup>

COMMUNICATION WITH THE PUBLIC

18. Work on a data sharing agreement with the Revenue and Fiscal Affairs Office to share publicly available information.

19. Collaborate with the Department of Administration’s State Division of Human Resources, Department of Revenue, and Department of Employment and Workforce to determine if there are opportunities for efficiencies in tracking and providing information to public members under the Ethics Act. Provide an update to the Committee.<sup>See Finding #5.</sup>

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Recommendations to the General Assembly

20. Consider amending the definition of “committee” in the Ethics Act so the State Ethics Commission may fully enforce 21 existing statutes that are currently unenforceable due to court decisions.<sup>Agency Request</sup>

EFFECTIVENESS

21. Consider correcting a statutory discrepancy regarding the value of gifts those subject to the Ethics Act must report (i.e., make it uniform that all gifts with a value of twenty-five dollars or more in a day, or two hundred dollars or more in a calendar year, must be reported).<sup>Agency Request</sup>

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MODERNIZATION OF LAWS

22. Consider repealing antiquated statutes requiring the agency physically forward copies of information or enact a statute that provides posting the information online satisfies the requirement.

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## Recommendations to State Treasurer’s Office

INTERAGENCY  
COLLABORATION

23. Continue to monitor issues related to cryptocurrency and its potential application to the receipt of currency by state agencies for goods and services, as well as agencies that monitor receipt of currency (e.g., convene potentially impacted agencies as needed, to discuss issues).

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## Recommendations to the Office of House Research

EFFECTIVENESS

24. Create a document succinctly identifying House member responsibilities for making appointments or nominations for appointments.

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## Recommendations to the State Election Commission

INTERAGENCY  
COLLABORATION

25. Work on a data sharing agreement with the Revenue and Fiscal Affairs Office to share publicly available information.

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## Recommendations to the Secretary of State’s Office

INTERAGENCY  
COLLABORATION

26. Work on a data sharing agreement with the Revenue and Fiscal Affairs Office to share publicly available information.

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## *Study Related Internal Change*

During the study process, there is **one internal change** implemented directly related to participation in the study process. The change is listed below.

### Implemented by the State Ethics Commission

1. State Ethics Commission takes actions necessary to bring its records back into compliance with its records management policy.



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## Legislative Oversight Committee

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>  
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