



# AGENDA

South Carolina  
House of Representatives



**Legislative Oversight Committee**

***EXECUTIVE SUBCOMMITTEE***

*The Honorable Joseph H. Jefferson, Jr., Chairman*

*The Honorable Travis A. Moore*

*The Honorable Wm. Weston J. Newton*

*The Honorable Melissa Lackey Oremus*

***Tuesday, July 20, 2021***

***10:00 a.m.***

***Room 321, Blatt Building***

***Pursuant to Committee Rule 6.8, S.C. ETV shall be allowed access for internet streaming whenever technologically feasible.***

**AGENDA**

- I. Approval of Subcommittee Meeting Minutes**
- II. Discussion of the study of the State Ethics Commission**
- III. Adjournment**

# MEETING MINUTES

*Chair Wm. Weston J. Newton*

*First Vice-Chair:  
Joseph H. Jefferson, Jr.*

## **Legislative Oversight Committee**

*Kambrell H. Garvin  
Rosalyn D. Henderson-Myers  
Jeffrey E. "Jeff" Johnson  
John R. McCravy, III  
Adam M. Morgan  
Melissa Lackey Oremus  
Marvin R. Pendarvis  
Tommy M. Stringer  
Chris Wooten*



**South Carolina House of Representatives**

*Gil Gatch  
William M. "Bill" Hixon  
Kimberly O. Johnson  
Josiah Magnuson  
Timothy A. "Tim" McGinnis  
Travis A. Moore  
Russell L. Ott  
Michael F. Rivers, Sr.  
John Taliaferro (Jay) West, IV*

*Jennifer L. Dobson  
Research Director*

**Post Office Box 11867  
Columbia, South Carolina 29211**

*Charles L. Appleby, IV  
Legal Counsel*

*Cathy A. Greer  
Administration Coordinator*

**Telephone: (803) 212-6810 • Fax: (803) 212-6811  
Room 228 Blatt Building**

*Lewis Carter  
Research Analyst/Auditor*

*Riley E. McCullough  
Research Analyst*

### **Legislative Oversight Committee**

Thursday, May 13, 2021

8:30 a.m.

Blatt Room 321

#### **Archived Video Available**

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

#### **Attendance**

- I. The Education and Cultural Subcommittee meeting was called to order by Committee Vice-Chair and Executive Subcommittee Chair Joseph H. Jefferson, Jr., on Thursday, May 13, 2021, in Room 321 of the Blatt Building. All members (Representative Travis A. Moore; Representative Wm. Weston J. Newton; and Representative Melissa Lackey Oremus) were present for all or a portion of the meeting. Additionally, Representative Robert Q. Williams attended the meeting, and staff of the House Ethics Committee attended the meeting.

**Minutes**

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings.

**Approval of Minutes**

- I. Representative Newton makes a motion to approve the meeting minutes from the April 29, 2021, meeting. A roll call vote was held, and the motion passed.

<b>Rep. Newton motion to approve the April 29, 2021, meeting minutes.</b>	Yea	Nay	Not Voting
Rep. Jefferson	✓		
Rep. Moore	✓		
Rep. Newton	✓		
Rep. Oremus	✓		

**Constituent Testimony**

- I. Chair Jefferson places Mr. Skip Hoagland of Hilton Head under oath. Mr. Hoagland provided brief testimony, and there were no questions from members concerning his testimony.

**Discussion of State Ethics Commission**

- I. Chair Jefferson reminds Ms. Meghan Walker, Executive Director of the State Ethics Commission, and Ms. Courtney Laster, General Counsel of the State Ethics commission, that they remain under oath.
- II. Director Walker and Ms. Laster provide comments related to:
  - a. Who must comply with the ethics act?
    - i. Candidates;
    - ii. Public officials have required filings;
    - iii. Public members – filings;
    - iv. Lobbyists and lobbyist principals; and
    - v. Committees.

- b. What information does everyone receive?
  - i. Website;
  - ii. Social media;
  - iii. Additional communication: brochures and newsletters;
  - iv. Advisory opinions: informal and formal;
  - v. Associated performance measures;
  - vi. Technology breaches (none); and
  - vii. Recommended law change.

III. Subcommittee members ask questions relating to the following:

- a. Candidate filings;
- b. Public officials;
- c. Public members;
- d. Gaps in notification to the agency about candidates;
- e. Constitutional concerns about the definition of committee;
- f. Website usage;
- g. Marketing of social media information;
- h. Trends in violations;
- i. Delivery of the training (e.g., how to videos);
- j. Notification requirements about appointments;
- k. Informal advisory opinions; and
- l. Associated performance measures.

Agency staff respond to the members' questions.

**Adjournment**

- I. There being no further business, the meeting is adjourned.

# STUDY TIMELINE

The House Legislative Oversight Committee's (Committee) process for studying the State Ethics Commission (agency) includes actions by the full Committee; Executive Subcommittee (Subcommittee); the agency; and the public. Key dates and actions are listed below in Figure 1.

## Legislative Oversight Committee Actions

- December 9, 2019 – Holds **Meeting #1** and prioritizes the agency for study
- January 15, 2020 - Provides the agency notice about the oversight process
- February 28 – April 1, 2020 - Solicits input about the agency in the form of an online public survey
- April 8, 2021 – Holds **Meeting #2** to receive public testimony about the agency

## Executive Subcommittee Actions

- April 29, 2021 - Holds **Meeting #3** to discuss the agency's vision; mission; director responsibilities; organizational structure; history; and general information about finances and employees
- May 13, 2021 - Holds **Meeting #4** to discuss the agency's services related to education and training
- July 20, 2021 - Holds **Meeting #5 (TODAY)** to discuss the agency's services related to required filings

## State Ethics Commission

- March 31, 2015 - Submits its **Annual Restructuring and Seven-Year Plan Report**
- January 12, 2016 - Submits its **2016 Annual Restructuring Report**
- September 2016 - Submits its **2015-16 Accountability Report**
- September 2017 - Submits its **2016-17 Accountability Report**
- September 2018 - Submits its **2017-18 Accountability Report**
- September 2019 - Submits its **2018-19 Accountability Report**
- March 9, 2020 - Submits its **Program Evaluation Report**
- September 2020 - Submits its **2019-20 Accountability Report**
- March, 2021 - Submits updates to its **Program Evaluation Report**
- December, 2019 - Present - Responds to Subcommittee's inquiries

## Public's Actions

- February 28 – April 1, 2020 - Provides input about the agency via an **online public survey**
- Ongoing - Submits written comments on the Committee's webpage on the General Assembly's website ([www.scstatehouse.gov](http://www.scstatehouse.gov))

Figure 1. Key dates in the study process.



# AGENCY SNAPSHOT

## South Carolina Ethics Commission

### History

- 1975 - Governor James Edwards signed the Ethics Acts which created the State Ethics Commission.
- 1978 - First statewide election year the Commission accepted Campaign disclosure forms from candidates and committees.
- 1982 - Ethics Act amended to include prohibiting an employment offer to influence a public official and prohibiting a public official from representing clients on matters in which the official was directly and substantially involved.
- 1991 - Ethics, Government Accountability, and Campaign Reform Act of 1991 makes comprehensive ethics reform (prior to filing Operation Lost Trust had criminally convicted 27 legislators and lobbyists)
- 2011 - H.3183 signed into law, capping late filing penalties at \$5,000 per report, allowing multiple offenses to be tried in magistrate's court, and requiring lobbyists to pay all outstanding fines prior to reregistration or resuming lobbying activities.

### Agency Mission

The mission of the State Ethics Commission is to work diligently to develop and enhance public trust in all levels of government.

### Organizational Units

#### Administration

- Implements Commission's mission

#### Compliance

- Oversee the day-to-day operations of the electronic filing system for campaign financé, financial disclosure and lobbying disclosure

#### Investigation

- Investigates alleged violations

#### Disclosures

- Notifies those who fail to file required forms, handle all non-compliance matters

#### Legal

- Administratively prosecutes alleged violations of the Act, represents the Commission in Court, advises and trains public officials under the Act, and drafts formal opinions.

### Resources (FY 19-20)

#### Employees

17  
filled FTE positions  
at end of the fiscal year

#### Funding

\$2,135,987  
appropriated and authorized

### Successes

Identified by the agency

- Increasing efforts towards "going green," resulting in increased efficiency and a reduction in both costs and environmental impact.
- Training, in the past two years, more than two thousand individuals subject to the act.
- Resolving backlog of 120 cases since March 2018, leaving 16 cases currently pending.

### Challenges

Identified by the agency

#### Current:

- Receiving a constitutional definition of committee to enforce applicable state statutes
- Increasing staffing to decrease backlog and provide timelier accountability for late filers
- Securing case management software

#### Emerging:

- Regulating potential campaign contributions that occur through cryptocurrency
- Replacing the current filing system for accountability and reporting
- Increasing staffing to regulate local lobbyist

Figure 2. Snapshot of the agency's major organizational units, fiscal year 2019-20 resources (employees and funding), successes, and challenges.<sup>1</sup>

# AGENCY PRESENTATION – REQUIRED FILINGS

# COMMITTEE CONTACT INFORMATION AND UPCOMING MEETINGS

## Legislative Oversight Committee



South Carolina House of Representatives

## Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

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

Phone Number: 803-212-6810

Email Address: [HCommLegOv@schouse.gov](mailto:HCommLegOv@schouse.gov)

Location: Blatt Building, Room 228

## UPCOMING MEETINGS

### Executive Subcommittee

Tuesday, August 17  
Room 321  
10:00 a.m.

## END NOTES

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<sup>1</sup> Visual Summary Figure 2 is compiled from information in the State Ethics Commission study materials available online under “Citizens’ Interest,” under “House Legislative Oversight Committee Postings and Reports,” and then under “Ethics Commission, State”

<https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyPHPFiles/EthicsCommission.php> (accessed April 22, 2021).