

Executive Subcommittee Meeting

Thursday, May 13, 2021

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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

Thursday, May 13, 2021

8:30 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*

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*Charles L. Appleby, IV
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*Cathy A. Greer
Administration Coordinator*

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Room 228 Blatt Building**

*Lewis Carter
Research Analyst/Auditor*

*Riley E. McCullough
Research Analyst*

Legislative Oversight Committee

Thursday, April 29, 2021

One hour after adjournment of the House (1:30 p.m.)
Blatt Room 110

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, April 29, 2021, in Room 110 of the Blatt Building. All members (Representative Joseph H. Jefferson, Jr.; Representative Travis A. Moore; Representative Wm. Weston J. Newton; and Representative Melissa Lackey Oremus) were present for all of the meeting. Additionally, Representative Bill Hixon attended a portion of 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 June 25, 2020, meeting. A roll call vote was held, and the motion passed.

Rep. Newton motion to approve the June 25, 2020, meeting minutes.	Yea	Nay	Not Voting
Rep. Jefferson	✓		
Rep. Moore	✓		
Rep. Newton	✓		
Rep. Oremus	✓		

Discussion of State Ethics Commission

- I. Chair Jefferson swears in Ms. Ami Franklin, Assistant Director of the State Ethics Commission. Also, Chair Jefferson reminds Ms. Meghan Walker, Executive Director of the State Ethics Commission that she remains under oath.
- II. Chair Jefferson notes Mr. Skip Hoagland requested to provide testimony, but he was not present at the meeting.
- III. Director Walker provides brief comments related to:
 - a. agency mission;
 - b. agency history;
 - c. agency organization: governing body, director and employees;
 - d. staff overview;
 - e. federal and state counterparts;
 - f. regulation, policies, records, and audits;
 - g. manual data entry;
 - h. emerging issues, successes, and challenges
- IV. Subcommittee members ask questions relating to the following:
 - a. commissioner demographics;
 - b. qualifications to serve as executive director of the agency;

- c. agency employee training;
- d. actions taken as a result of an employee morale survey;
- e. separating employees: exit interviews and any identifiable trends in separation;
- f. agency carryforward;
- g. agency's review and update of regulations;
- h. interagency collaboration challenges;
- i. agency actions arising from audit findings;
- j. agency energy consumption reduction efforts;
- k. agency software;
- l. resolution of backlog of cases;
- m. COVID-19 impacts on agency operations; and
- n. virtual hearings.

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 (TODAY)** to discuss the agency's services related to education and training

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)

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.¹

AGENCY PRESENTATION – EDUCATION AND TRAINING



SOUTH CAROLINA
State Ethics Commission

EDUCATION AND TRAINING SERVICES

LEGISLATIVE OVERSIGHT HEARING

Disclaimer:

Updates to

Program

Evaluation

Report

In preparing the Deliverable Group presentations, some data provided in the original Program Evaluation Report has been corrected. The presentations will reference the corrected data, and the Program Evaluation Report will be updated once the Deliverable Group presentations are concluded.



Who is involved?

Who must comply with the Ethics Act?

- Candidates
- Public Officials
- Public Members
- Public Employees
- Lobbyists
- Lobbyist Principals
- Committees

Who must comply with the Ethics Act?

Candidates

A person who seeks

- appointment,
- nomination for election, or
- election to a state or local office,

OR

who authorizes or knowingly permits

- collection or disbursement of money for the promotion of his candidacy or election.

OR

on whose behalf

- write-in votes are solicited if the person has knowledge of such solicitation.

- | |
|----------------|
| Required |
| ➤ filings |
| ➤ actions |
| ➤ prohibitions |

*Does not include a person within the meaning of Section 431(b) of the Federal Election Campaign Act of 1976.

*How does the Commission
know*

who is seeking a position?

Candidacy
Books
Open

- Individuals file to run for office with their County Registration and Election Board

Candidacy
Books
Close

- Ethics Commission mails a Candidate Roster letter to the Registration and Election Board of every county

Within 5
days after
closing

- County Board must send completed Candidate Roster to Ethics Commission



Efficiency Update

Candidate Roster

Completed electronically by county offices through website created by Ethics Commission

- Previously county completed hard copy form, scanned it in, emailed it to Commission and Commission stored the hard copy.

Benefits to candidates

- Quicker to reach out to individuals.
- Captures candidate contact information so candidate can be offered Ethics Training related to the candidate's run for office.
- Documenting individual was offered training.

Benefits to agency

- Documenting individual was offered training.
- Allows Commission to electronically store data.
- Potentially results in decreased late filing, late filing penalties and Commission issued complaints.

Candidate Information

Add each candidate separately. Add each candidate and click the "Add Candidate" button.

Candidate Names and Contact Information

Candidate's Full Name *

Candidate Street Address *

Candidate City *

Candidate State *

South Carolina ▼

Candidate Zip Code *

Candidate Phone Number *

(803-555-1234)

Candidate Email Address *

ADD CANDIDATE



Who must comply with the Ethics Act?

Public Officials

- Elected or appointed official*, including candidate, of
 - State
 - County,
 - Municipality, or
 - Political subdivision

- | |
|----------------|
| Required |
| ➤ filings |
| ➤ actions |
| ➤ prohibitions |

Public Members

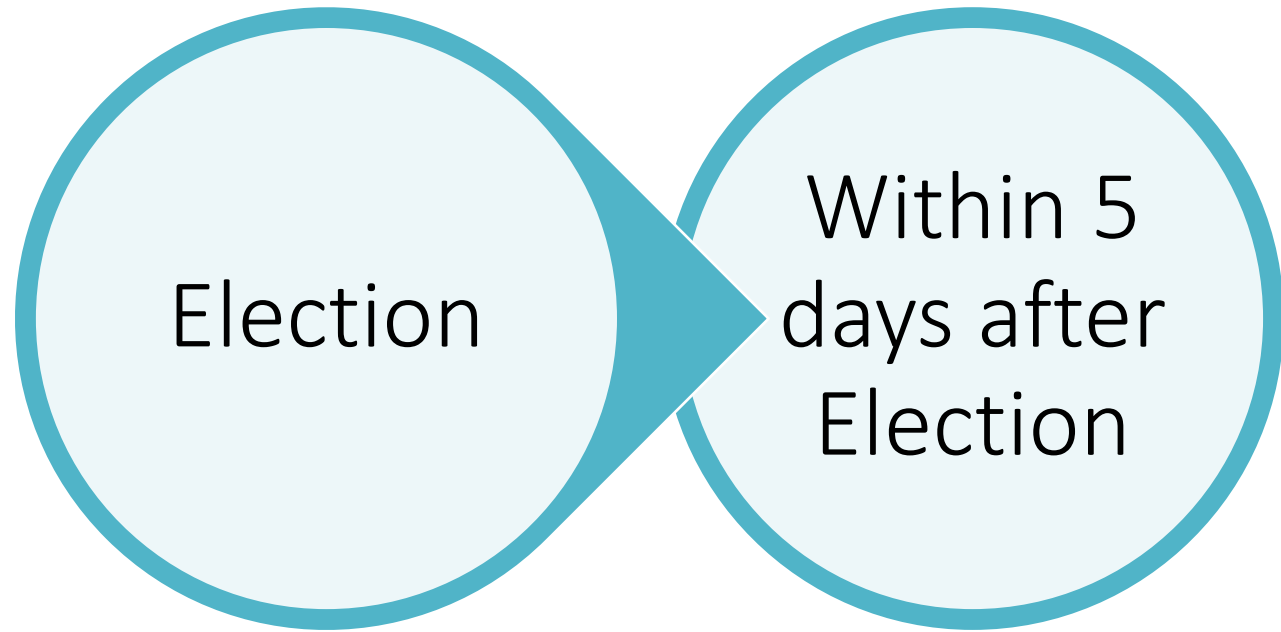
- Individual appointed to a noncompensated part-time position on a board, commission, or council.
 - Receiving reimbursement of expenses or a per diem payment for services does not count as “compensated” for purposes of this definition

- | |
|---|
| Required |
| ➤ filings (<i>only certain ones</i>) [^] |
| ➤ actions |
| ➤ prohibitions |

*“Public official” does not mean a member of the judiciary except that for the purposes of campaign practices, campaign disclosure, and disclosure of economic interests, a probate judge is considered a public official and must meet the requirements.

[^]Will discuss more in the “Required Filings” presentation

*How does the Commission
know
who wins each election?*



- Ethics Commission mails a Successful Candidate Roster letter to the Registration and Election Board of every county
- County Board must send completed Successful Candidate Roster to Ethics Commission



*How does the Commission
know
who gets appointed?*

Governor
appoints a
public member
to a council,
board or
commission

Governor's staff
notifies Ethics
Commission of
appointment

Ethics
Commission
contacts new
appointee

- Sends appointee:
 - Introductory letter; and
 - Electronic copy of the Public Members Newsletter

*Both are discussed in more detail later in presentation



Who must comply with the Ethics Act?

Public Employees

A person employed by

- State,
- County,
- Municipality, or
- Political subdivision

Required

- filings (*only certain ones*)[^]
- actions
- prohibitions

[^]Will discuss more in the “Required Filings” presentation

Who must comply with the Ethics Act?

Lobbyists

A person employed, appointed, or retained,

- with or without compensation,
- to influence by direct communication with public officials or public employees the
 - action or vote for any member of the General Assembly, Governor, Lieutenant Governor, or any statewide constitutional officer concerning any legislation;
 - vote of any public official of any state agency, board, or commission concerning any covered agency actions; or
 - action of the Governor or any member of his executive staff concerning any covered gubernatorial actions.

- | |
|----------------|
| Required |
| ➤ filings |
| ➤ actions |
| ➤ prohibitions |



Who must comply with the Ethics Act?

Lobbyists' Principals

- A person or entity
 - on whose behalf and for whose benefit a lobbyist engages in lobbying and
 - who directly employs, appoints, or retains a lobbyist to engage in lobbying.

Required

- filings
- actions
- prohibitions

Who must comply with the Ethics Act?

Committees

- | |
|----------------|
| Required |
| ➤ filings |
| ➤ actions |
| ➤ prohibitions |

- An association, a club, an organization, or a group of persons which, to influence the outcome of an elective office,
- receives contributions or makes expenditures in excess of \$500 in the aggregate during an election cycle, and
 - a person who, to influence the outcome of an elective office, makes:
 - contributions aggregating at least \$25,000 during an election cycle to or at the request of a candidate or a committee, or a combination of them; or
 - independent expenditures aggregating \$500 or more during an election cycle for the election or defeat of a candidate.

"Committee" includes a party committee, a legislative caucus committee, a noncandidate committee, or a committee that is not a campaign committee for a candidate but that is organized for the purpose of influencing an election.

Note: The Commission is currently unable to enforce laws that require Committees to file the information on the next slides because in 2010 a federal district court found the definition of "committee" was unconstitutional. *South Carolina Citizens for Life v. Krawcheck*, 759 F. Supp.2d 708 (D.S.C. 2010).

However, the Commission has requested a constitutional definition of committee and is working with the Senate Judiciary Committee on proposed language.

Who must comply with the Ethics Act?

Ballot Measure Committee

- Required
- filings
 - actions
 - prohibitions

An association, club, an organization, or a group of persons which, to influence the outcome of a ballot measure,

- receives contributions or makes expenditures in excess of \$2,500 in the aggregate during an election cycle;
- makes contributions aggregating at least \$50,000 during an election cycle to or at the request of a ballot measure committee; or
- makes independent expenditures aggregating \$2,500 or more during an election cycle.

Note: The Commission is currently unable to enforce laws that apply to Committees because in 2010 a federal district court found the definition of “committee” unconstitutional. *South Carolina Citizens for Life v. Krawcheck*, 759 F. Supp.2d 708 (D.S.C. 2010).

However, the Commission has requested a constitutional definition of committee and is working with the Senate Judiciary Committee on proposed language.

General Communication

*What information
does everyone
receive?*

Website

Customer Training

Social Media

General Advice

Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee
Website	Website	Website	Website	Website	Website	Website
Social Media	Social Media	Social Media	Social Media	Social Media	Social Media	Social Media
Customer Training	Customer Training	Customer Training	Customer Training	Customer Training	Customer Training	Customer Training
General Advice	General Advice	General Advice	General Advice	General Advice	General Advice	General Advice

Agency website

(Deliverable #14 in agency PER)

Purpose (as understood by agency): Inform the public of what the State Ethics Commission does and provide resources for those under our jurisdiction

Law: None applicable

Customers: Public members, public employees, public officials, political parties, lobbyists, lobbyist's principals, and members of the public

Customer satisfaction evaluated: No

Service unit: Agency website

	Units provided	Cost per unit	Customers served
'16-17	1	\$1,008.06	134,419
'17-18	1	\$1,220.88	163,306
'18-19	1	\$3,278.71	135,754
'19-20	1	\$1,275.35	140,820

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.01	\$1,008.06	0.10%
'17-18	0.01	\$1,220.88	0.09%
'18-19	0.02	\$3,278.71	0.19%
'19-20	0.01	\$1,275.35	0.07%

Note: additional employee equivalents in 2018-19 are attributed to additional time required to upgrade the agency website.

Website

Contains information about the following:

- Commission
- Advisory Opinions
- Brochures/Newsletters
- How to file a complaint
- Meeting agendas and minutes
- Complaints resolved index
- Information on the reports filed with the Commission
- Debtor's list
- Reports and policies
- Calendar



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of IT breaches
Responsible: Administrative Division (3 employees in division at end of '18-19)



SOUTH CAROLINA State Ethics Commission



[About Us](#)

[Advisory Opinions](#)

[Campaigns](#)

[Complaints](#)

[Lobbying](#)

[Statement of Economic Interests](#)



Restoring Public Trust in Government

How Do I... ▾

About Us

- Commission
- Reports and Policies
- Contact Us

Advisory Opinions

- Advisory Opinions Topics

Campaign

- Election Material

Complaints

- Complaints Resolved Archive

Lobbying

- Rating Entities

Statement of Economic Interests

- Statement of Economic Interests

Agency Social Media

(Deliverable #15 in agency PER)

Purpose (as understood by agency): Another platform to disseminate information about the Commission

Law: None applicable

Customers: Public members, public employees, public officials, political parties, lobbyists, lobbyist's principals, and members of the public

Customer satisfaction evaluated: No

Service unit: A social media account

	Units provided	Cost per unit	Customers served
'16-17	0	\$0.00	0
'17-18	2	\$180.00	Unknown*
'18-19	2	\$479.19	Unknown*
'19-20	2	\$45.69	Unknown*

*Commission's Twitter account had 250 followers as of 12/2020. Customers would also include any individual who views the account.

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.00	\$0.00	0.00%
'17-18	0.005	\$354.86	0.03%
'18-19	0.005	\$957.84	0.06%
'19-20	0.0005	\$91.38	0.01%

Social Media

The agency maintains accounts on the following social media platforms:

- Facebook
- Twitter



Ethics Training

(Deliverable #13 in agency PER)

Purpose (as understood by agency): Educate public officials, public members, public employees, lobbyists, and lobbyist's principals on the Ethics Act

Law: Allowed by S.C. Code §§ 8-13-120; -360

Customers: Public members, public employees, public officials, political parties, lobbyists, and lobbyist's principals

Customer satisfaction evaluated: No

Service unit: Training

	Units provided	Cost per unit	Customers served
'16-17	22	\$819.81	844
'17-18	18	\$1,113.58	1,250
'18-19	49	\$781.91	1,745
'19-20	25	\$731.04	1,402

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.2	\$18,035.85	1.74%
'17-18	0.2	\$20,368.42	1.53%
'18-19	0.2	\$38,313.53	2.27%
'19-20	0.1	\$18,275.96	1.02%

Customer Training

Commission regularly trains lobbyists, lobbyists principals, public officials, public members and public employees on the provisions of The Ethics Reform Act.

- Free of charge
- In person or virtual
- Conducted by the executive director or general counsel
- Tailored to each group
- Consists of written material and oral presentation



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of individuals receiving ethics training

Responsible: Administrative Division (3 employees in division at end of '18-19)

Additional Specific Communication

Newsletter

Brochure

Letter

Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee
Website	Website	Website	Website	Website	Website	Website
Social Media	Social Media	Social Media	Social Media	Social Media	Social Media	Social Media
Customer Training	Customer Training	Customer Training	Customer Training	Customer Training	Customer Training	Customer Training
General Advice	General Advice	General Advice	General Advice	General Advice	General Advice	General Advice
Newsletter		Newsletter	Brochure			
		Letter				

*What information
does everyone
receive?*



Ethics Brochure and Newsletters

(Deliverable #16 in agency PER)

Purpose (as understood by agency)

Provide public officials, public members, and public employees information about the general application of the Ethics Act

Law: Required by S.C. Code §§ 8-13-350

Customers: Public officials, public members, and public employees

Customer satisfaction evaluated: No

Service unit: Public employee brochure or Candidate newsletter

	Units provided	Cost per unit	Customers served
'16-17	Unknown*	Unknown	Unknown^
'17-18	Unknown*	Unknown	Unknown^
'18-19	Unknown*	Unknown	Unknown^
'19-20	Unknown*	Unknown	Unknown^

**Brochures:* 1,586 visited page on Commission website w/ brochure in '18-19; *Candidate newsletters:* approx. 500 physically mailed in 2018, 2019, and 2020

^unable to determine because brochures are mailed to county election offices for distribution.

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.0	\$0.00	0.00%
'17-18	0.007	\$487.77	0.04%
'18-19	0.002	\$275.90	0.02%
'19-20	.0065	\$563.96	0.03%

Brochures and Newsletters

Newsletter for Public Officials – Candidates

- Distributed
 - Physically to county elections offices
 - Electronically by posting on the Commission's website
- Contains filing information for candidates

Newsletter for Public Members – Appointed

- Distributed electronically by posting on the Commission's website

Brochure for Public Employees

- Distributed electronically by posting on the Commission's website
- Contains overview of the Ethics Act for public employees



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of individuals receiving ethics training

Responsible: Administrative Division (3 employees in division at end of '18-19)

*Example
Brochure for
Public
Employees
(front side)*

South Carolina State Ethics Commission

We hope this digital brochure provides you with the necessary tools to ensure compliance with the Ethics Reform Act.



SC State Ethics Commission
201 Executive Center Drive
Suite 150
Columbia, SC 29210

(803) 253-4192

[Visit our website](#)

What is the SC State Ethics Commission?

The South Carolina State Ethics Commission is the state agency charged with enforcing the Ethics, Government Accountability and Campaign Reform Act of 1991.

The goal of the Ethics Reform Act is to make public servants more accountable to the citizens they serve in order to restore public trust in government institutions and the political and governmental processes.

Why Are You Receiving This Brochure?

You are receiving this brochure because you are a public employee, as defined by the Ethics Reform Act, and as such you are subject to the Ethics Reform Act.

This brochure will include some of the Act's highlights but in no way encompasses all of the Act's requirements or prohibitions.

In additions to reading this brochure, we encourage you to read the Act in its entirety.

[Click here for the Ethics Reform Act](#)

Your Time Versus the People's Time

As a public employee, your workday is dedicated to the people you serve. Over the course of your public employment you may not:

- Use government equipment, personnel, materials or time to work on a second business.
- Receive anything of value in an attempt to influence your actions.
- Receive money other than your salary for advice or assistance given as a part of your official duties.

All in The Family

Nepotism (favoritism based on kinship) is strictly forbidden by the Act. Over the course of your public employment you may not:

- Cause the employment, appointment, promotion or transfer of a family member to a position you supervise or manage.
- Participate in the discipline of a family member.
- Family members: spouse, parent, brothers, sister, child, *in-laws*, grandparent or grandchild.



Example Brochure for Public Employees (reverse side)

A Little Extra Cash

As a public employee, you may not:

- Solicit or receive money, in addition to that received in your official capacity, for advice or assistance given during your public employment.
- Use confidential information obtained over the course of your employment in order to obtain an economic benefit for you, your family or a business/person with whom you are associated.
- Solicit or receive anything of value to influence your decision making in the discharge of your duties or responsibilities.

Statement of Economic Interests

Certain public employees are required to fill out a Statement of Economic Interests (SEI) form every year. Those employees include, but are not limited to:

- Chief administrative official, deputy administrative official or director of a division, institution or facility of any agency or department of state government.
- Chief financial official and chief purchasing official of each agency, institution or facility of state government.

A Statement of Economic Interests should contain the following information:

Source, type and value of income received from a governmental entity.
Listing of any private source of income received by you or a family member.

Getting Political

You may not use government time, equipment, resources or property to influence the outcome of an election. Do not print campaign materials, make campaign calls or send campaign related emails using any government issued equipment.

Leaving the Public Sector

We hate to see you go, but under certain circumstances your future employment may have restrictions:

- 1) If you were directly involved in procurement, you may not accept a new job in which your new employer is contracting with your former employer if the contract would fall under your official duties while you were a public employee.
- 2) You may not serve as a lobbyist or represent clients on a matter in which you directly or substantially participated.
- 3) You may not accept employment if the employment is from a person/entity regulated by your former employer *and* involves a matter in which you directly and substantially participated.

When in Doubt...

If you have any questions about the Act – don't hesitate to contact us. As a public employee, you may request an informal opinion about any issue within our jurisdiction. Just email Courtney Laster at claster@ethics.sc.gov.

We Will Come to You

If you believe that your staff would benefit from an in-person ethics training, please contact Meghan Walker at mwalker@ethics.sc.gov.

- We provide trainings for both large and small groups.
- Typically, the only cost associated with training is for mileage to and from the training location.

Contact Us

SC State Ethics Commission
201 Executive Center Drive
Suite 150
Columbia, SC 29210

(803) 253-4192

[Visit our website](#)



*Example
Newsletter for
Candidates*

Candidate Newsletter

PROVIDED BY THE SOUTH CAROLINA STATE ETHICS COMMISSION



State Ethics Commission
The SEC is the government agency charged with enforcing the Ethics, Government Accountability and Campaign Reform Act of 1991.

Candidates
As a candidate, you are subject to the Ethics, Government Accountability and Campaign Reform Act of 1991.

Filings
You are required to file both a Statement of Economic Interests and Campaign Disclosures - this Newsletter seeks to help you do that.

CAMPAIGN DISCLOSURES

When you raise or spend \$500.00, you must file an Initial Campaign Disclosure via our website. After that, you must file a Campaign Disclosure every quarter.
15 days before your election, you must file a pre-election campaign report showing contributions of more than \$100.00 and all expenditures.

QUARTERLY CAMPAIGN DISCLOSURE DUE DATES

First Quarter: April 10
Second Quarter: July 10
Third Quarter: October 10
Fourth Quarter: January 10 of the following year.



Example
 Newsletter for
 Public Members
 (non-compensated appointed official)

Public Members Newsletter

PROVIDED BY THE SOUTH CAROLINA STATE ETHICS COMMISSION



State Ethics Commission

The SEC is the government agency charged with enforcing the Ethics, Government Accountability and Campaign Reform Act of 1991. As a public member, you are subject to the Act.

SEIs

As a public member, you must report your sources of income to the SEC via our website annually.

Important Dates

You must file your SEI by noon on March 30th every year. When you are initially appointed or elected to a position.

SOUTH CAROLINA

State Ethics Commission

ETHICS REFORM ACT

The State of South Carolina recognizes that the trust of the public is essential for government to function effectively. As many public members serve on a part-time basis, conflicts of interest and appearances of impropriety will occur. This newsletter aims to help you navigate those potential conflicts.

Statements of Economic Interests

You are required to fill out this form annually. You must create a user login and password on our website to fill out this form. You are required to disclose the source and amount of any income received by you or an immediate family member residing with you. You are also required to fill out the source, but not the amount, of private income received by you or a family member.



Getting Advice

REQUESTING AN ADVISORY OPINION

If you are ever unsure of your duties under the Ethics Reform Act, please do not act before you contact us and request an advisory opinion.

When requesting an advisory opinion, please put your question in writing and fully detail each area of concern. You can email your requests to our general counsel, Courtney Lester at clasler@ethics.sc.gov. You may also mail your requests to the Commission at 201 Executive Center Drive, Suite 150 in Columbia, South Carolina.

IF YOU BELIEVE THAT YOUR BOARD WOULD BENEFIT FROM ETHICS TRAINING, PLEASE CONTACT MEGHAN WALKER AT MWALKER@ETHICS.SC.GOV.

CONFLICTS OF INTEREST

AVOIDING NEPOTISM AND SELF-DEALING

The Ethics Reform Act forbids you from taking any action that results in an economic benefit for you, a family member, a person with whom you are associated or a business with which you are associated.

Definitions for each of these terms can be found in the Ethics Reform Act, but please note that family members include: your parents, siblings, children, in-laws, grandparents and grandchildren.

There are certain exceptions when you may vote even if there is an economic benefit for a family member. If the economic benefit applies to a large class of people, you may still be able to vote. Please contact us for guidance.

If you are unsure if you have a conflict of interests, please contact us before your act. If you have a conflict, you *must* recuse yourself. The recusal must be in writing and contain the issue with which you have a conflict and the nature of the conflict. The written recusal must then be given to the chairperson of your board and made a part of the record.



Letters to Appointed Officials

(Deliverable #11 in agency PER)

Purpose (as understood by agency):

Enforcement of the Ethics, Government Accountability, and Campaign Act of 1991 as Amended and 1997 Regulations

Law: None applicable

Customers: Newly appointed officials

Customer satisfaction evaluated: No

Service unit: Letter to new appointee

	Units provided	Cost per unit	Customers served
'16-17	54	\$12.72	54
'17-18	14*	\$63.33	14
'18-19	67	\$28.59	67
'19-20	22	\$41.54	22

*During '17-18, Governor's Office staff did not send copies of appointment letters to Ethics Commission.

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.01	\$687.11	0.07%
'17-18	0.01	\$886.66	0.07%
'18-19	0.01	\$1,915.68	0.11%
'19-20	.005	\$913.80	0.05%

Letters to newly appointed officials

These letters congratulate newly appointed members on their appointments, introduce them to the State Ethics Commission and inform them of their filing requirements under the Ethics Reform Act.

Letters are electronically mailed to each public member via the email address they provide to the Governor's Office at the time of their appointment.

The mailing includes the letter and a digital copy of the Public Members Newsletter.



SOUTH CAROLINA
State Ethics Commission

Assoc. Performance Measure: Number of individuals receiving ethics training

Responsible: Compliance Division (4 employees in division at end of '18-19)

Example letter

to newly
appointed
official

Dear Ms. XYZ,

Congratulations on your appointment to the Board of Voter Registration and Elections of Pickens County! With your recent appointment, you are now classified as a public member in South Carolina. Public members are individuals appointed to a noncompensated part-time position on a board, commission or council and are under the jurisdiction of the Ethics, Government Accountability and Campaign Reform Act of 1991 (Ethics Reform Act). The Ethics Reform Act was enacted to restore public trust and accountability in government institutions and the individuals entrusted to operate those institutions.

The Ethics Reform Act can be found in Title 8, Chapter 13 of the South Carolina Code of Laws and at <https://www.scstatehouse.gov/code/t08c013.php>.

One way in which the Ethics Reform Act seeks to improve government transparency and accountability is through the electronic filing of a document known as a Statement of Economic Interests (SEI). You are required to file an SEI *before* you enter upon your official responsibilities. You will then be required to file an SEI before March 30th of every year you serve on your board, commission or council. Failure to file an electronic SEI will result in a minimum late filing fee of \$100.00.

To fill out your SEI, please visit our website at www.ethics.sc.gov. Once you are on the website, you will need to click the “Electronic Filing” link at the top of the page, this will take you to the “Accountability Reporting” page. From there, click on “create a user account,” and you will be instructed on how to create your unique Electronic Filing username and password. Once your account is created, you can begin to fill out and file your SEI. If you already have a username and password, please sign in and file an SEI for your newly appointed position.

Should you experience difficulty in creating your user account or in filing your SEI, you can access a User Guide which is also available on our website under “User Guides.” Should you need additional assistance, please contact us at (803) 253-4192. We are available Monday – Friday from 8:30 – 5:00 to answer any questions you may have.

In addition to this letter, you will receive a Public Members Newsletter which addresses some of the common questions/issues that face public members.

Thank you in advance for your service and please let us know if we can be of assistance in any way.



SOUTH CAROLINA
State Ethics Commission

Advisory Opinions

Note: These are stored in the Commission's Case Management System which will be discussed during the "Investigations" presentation.

Informal Advisory Opinion

Formal Advisory Opinion

Who can ask for one?

Public Officials - Candidates	Public Officials – Elected / Appointed	Public Members - Appointed	Public Employees	Lobbyists	Lobbyists Principals	Committee	General Public
Website	Website	Website	Website	Website	Website	Website	
Social Media	Social Media	Social Media	Social Media	Social Media	Social Media	Social Media	Social Media
Customer Training	Customer Training	Customer Training	Customer Training	Customer Training	Customer Training	Customer Training	Customer Training
General Advice	General Advice	General Advice	General Advice	General Advice	General Advice	General Advice	General Advice
Newsletter		Newsletter	Brochure				
		Letter					
AO	AO	AO	AO	AO	AO	AO	AO



Informal Advisory Opinion

(Deliverable #4 in agency PER)

Purpose (as understood by agency):
Enforcement of the Ethics, Government Accountability, and Campaign Act of 1991 as Amended and 1997 Regulations

Law: Required by S.C. Code Section 8-13-320(11)(c)

Customers: Public officials (excluding members of the General Assembly), public members, public employees, lobbyists and lobbyist's principals to whom the Act may apply requesting formal opinions.

Customer satisfaction evaluated: No

Service unit: An informal advisory opinion

	Units provided	Cost per unit	Customers served
'16-17	454	\$132.42	454
'17-18	104	\$397.12	104
'18-19	124	\$636.93	124
'19-20	109	\$686.37	109

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.50	\$60,119.50	5.78%
'17-18	0.50	\$41,300.34	3.11%
'18-19	0.50	\$78,979.33	4.67%
'19-20	0.50	\$74,813.80	4.00%

Informal Advisory Opinion

What are they?

- Prospective non-binding opinions, written by staff, concerning requestor's actions
- Based on real or hypothetical circumstances

Who can request one?

- Requested by an individual against whom the Ethics Reform Act can reasonably apply. Most requestors are public officials, public members or public employees.

How are they distributed?

- Returned directly to the individual that requested it
- Informal Advisory Opinions are not published on the Commission's website



SOUTH CAROLINA
State Ethics Commission

Assoc. Deliverable: Issuance of Advisory Opinions

Responsible: Legal and Administrative Departments (2 employees responsible for this)

Formal Advisory Opinion

(Deliverable #3 in agency PER)

Purpose (as understood by agency):

Enforcement of the Ethics, Government Accountability, and Campaign Act of 1991 as Amended and 1997 Regulations

Law: Required by S.C. Code Section 8-13-320(11)(a)

Customers: Public officials (excluding members of the General Assembly), public members, public employees, lobbyists and lobbyist's principals to whom the Act may apply requesting formal opinions.

Customer satisfaction evaluated: No

Service unit: An informal advisory opinion

	Units provided	Cost per unit	Customers served*
'16-17	5	\$3,756.37	2
'17-18	3	\$6,493.88	4
'18-19	7	\$3,898.56	6
'19-20	0	0	0

*In addition to those requesting opinions, customers may also include anyone else that reads and utilizes the opinions, which are publicly available on the Commission's website unless they are confidential.

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.16	\$18,781.84	1.81%
'17-18	0.16	\$19,481.65	1.47%
'18-19	0.16	\$27,289.93	1.61%
'19-20	0	0	0

Formal Advisory Opinion

What are they?

- Prospective binding opinions, written by staff and approved by Commissioners, concerning the requestor's conduct
- Based on real or hypothetical circumstances

Who can request one?

- Requested by an individual against whom the Ethics Reform Act can reasonably apply. Most requestors are public officials, public members or public employees.



SOUTH CAROLINA
State Ethics Commission

Assoc. Deliverable: Issuance of Advisory Opinions

Responsible: Legal and Administrative Departments (2 employees responsible for this)

Formal Advisory Opinion

(Deliverable #3 in agency PER)

Purpose (as understood by agency):

Enforcement of the Ethics, Government Accountability, and Campaign Act of 1991 as Amended and 1997 Regulations

Law: Required by S.C. Code Section 8-13-320(11)(a)

Customers: Public officials (excluding members of the General Assembly), public members, public employees, lobbyists and lobbyist's principals to whom the Act may apply requesting formal opinions.

Customer satisfaction evaluated: No

Service unit: A formal advisory opinion

	Units provided	Cost per unit	Customers served*
'16-17	5	\$3,756.37	2
'17-18	3	\$6,493.88	4
'18-19	7	\$3,898.56	6
'19-20	0	0	0

*In addition to those requesting opinions, customers may also include anyone else that reads and utilizes the opinions, which are publicly available on the Commission's website unless they are confidential.

Cost to provide

EE means employee equivalents required (37.5 hour per week units)

	EE	Total Cost	% of total agency costs
'16-17	0.16	\$18,781.84	1.81%
'17-18	0.16	\$19,481.65	1.47%
'18-19	0.16	\$27,289.93	1.61%
'19-20	0	0	0

Formal Advisory Opinion

How are they distributed?

- Published on the Commission's website
- Disseminated to public officials, public members and public employees via the Municipal Association, Association of Counties and School Board Association

Recent News

Advisory Opinion 2021-001

The State Ethics Commission has issued a new Advisory Opinion [AO2021-001](#) abo

[Read Full Story](#)

Advisory Opinion 2020-002

The State Ethics Commission has issued a new Advisory Opinion [AO2020-002](#) about

[Read Full Story](#)

[More Recent News](#)



SOUTH CAROLINA
State Ethics Commission

Assoc. Deliverable: Issuance of Advisory Opinions

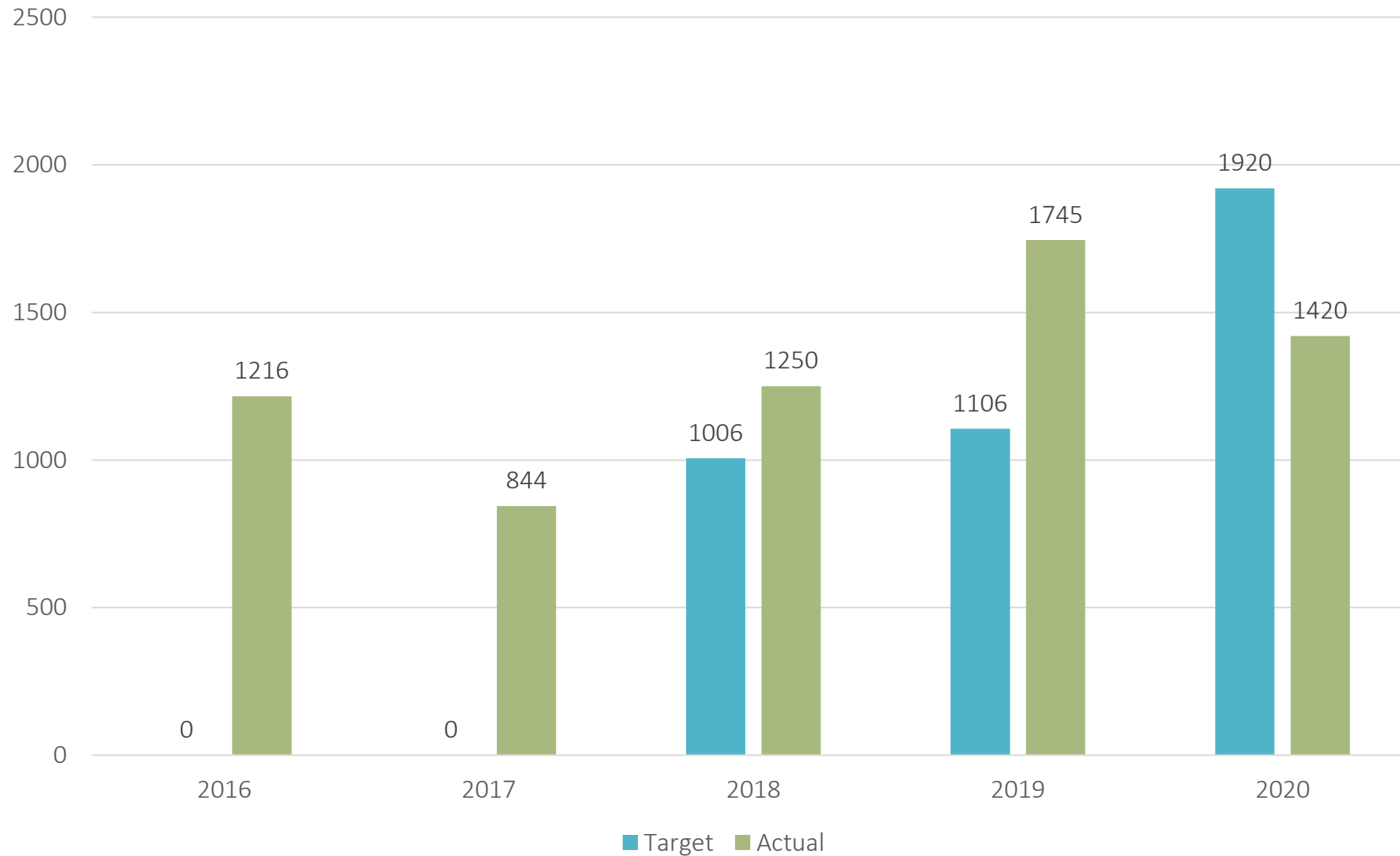
Responsible: Legal and Administrative Departments (2 employees responsible for this)

Associated Performance Measures

The next slides only contain information on performance measures that are associated with services covered earlier in this presentation.



Individuals Trained



Deliverables Associated with Performance Measure:

- Ethics Act Training

Number of Information Technology Breaches

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0

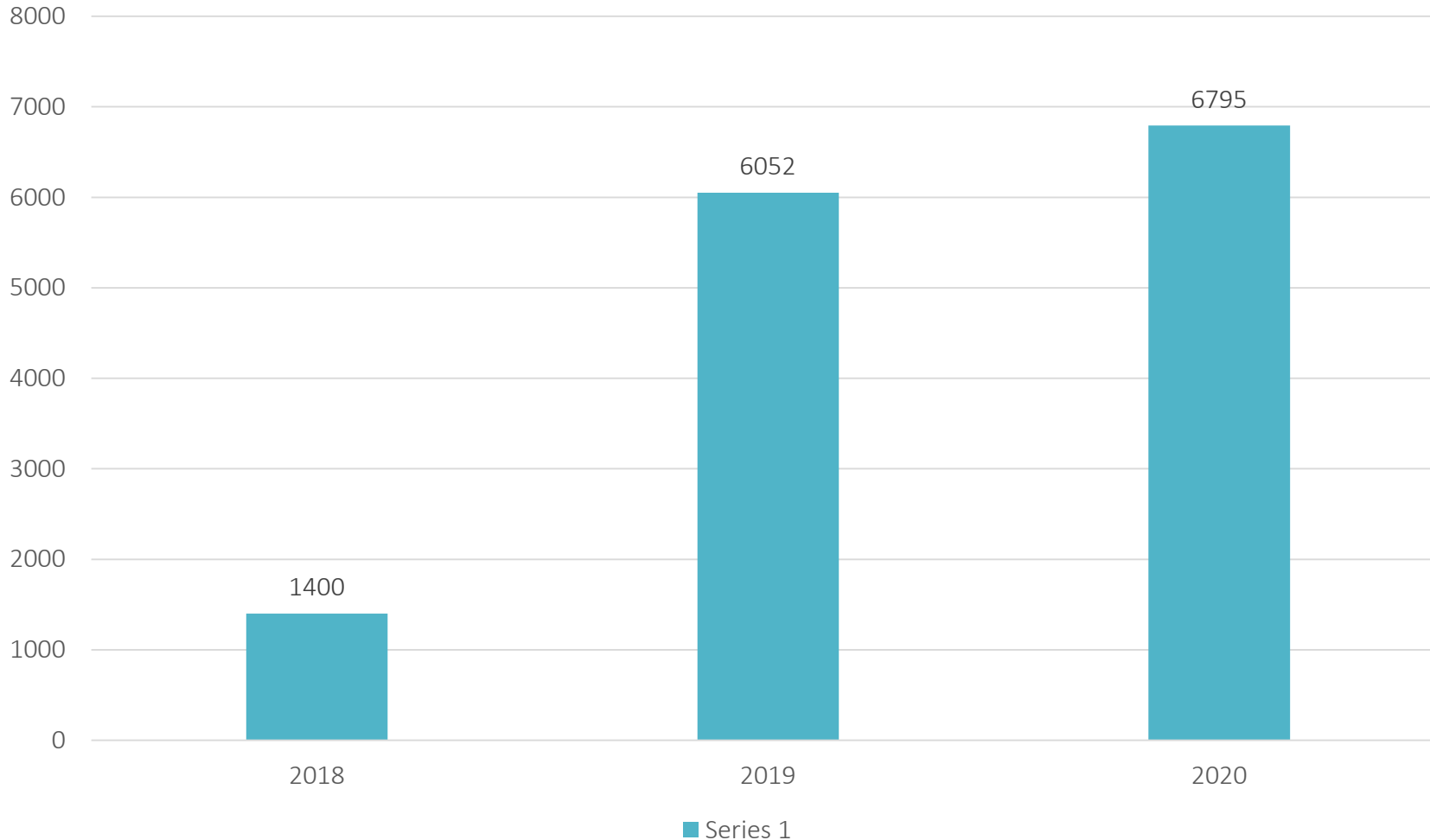
Deliverables Associated with Performance Measure:

- Agency website
- Agency social media accounts

Note: An incident where information is accessed from a system without the authorization of the Commission.



Calls Logged



Deliverables Associated with Performance Measure:

- Candidates Roster
- Entity List
- Lobbyist and Lobbyist's Principal Registrations
- Lobbyist and Lobbyist's Principal Disclosures
- Campaign and Operating Disclosures
- Statement of Economic Interests
- Implement and maintain the Public Disclosure and Accountability Reporting System

Note: Call volume is based upon customer need. No target value is set. Data was not tracked until Q3, 2018.

Recommended Law Changes

Law Change #3

Current Law: Section 8-13-350 Ethics brochure to be provided to public officials, members, and employees.

When hired, filing for office, or appointed and upon assuming the duties of employment, office, or position in state government, a public official, public member, and public employee shall receive a brochure prepared by the State Ethics Commission describing the general application of this chapter.

Recommendation: Modify to include which persons/entities are required to be provided the brochure created by the Commission (i.e., election commission officials, all public agencies, etc.)

- Commission provides the brochure electronically via its website
- Commission provides copies of the Candidate Newsletter to every county elections office.
- Commission is unable to monitor each public employee hired or each individual filing for public office.

*Note: The agency does not have a recommendation for specific wording.

Status: Not yet presented to, or approved by, Commissioners

Other Agencies Potentially Impacted: State and local election officials and all public agencies

Law Change #3

Unable to reasonably fulfill with
current resources



SOUTH CAROLINA
State Ethics Commission

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

Location: Blatt Building, Room 228

UPCOMING MEETINGS

Executive Subcommittee

Staff is working to schedule

END NOTES

¹ 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).