

Senate Ethics Committee

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ORDER OF PUBLIC REPRIMAND

The Senate Ethics Committee (the "Committee") met on September 19 and reviewed a matter pertaining to \$5,000 of campaign loan payments that Senator Kent M. Williams (Senator Williams) collectively reported on his July 2009 and October 2010 Campaign Disclosure Reports (the "Reports") as being made from campaign contributions contributed for debt retirement when such loan payments actually were not made. The Committee also reviewed a matter pertaining to ten (10) campaign contributions that Senator Williams accepted and retained during the 2012 Primary Election Cycle when such contributions were in excess of the statutory limits. The Committee found that probable cause existed to support these alleged violations and held that an Order of Public Reprimand and civil penalties totaling \$5,390.05 were appropriate remedies for these violations.

S.C. Code Ann. § 8-13-1314(A)(1)(b) (Supp. 2011) provides, generally, that within an election cycle, no candidate for a non-statewide office shall accept and no person shall give or offer to such candidate, a contribution that exceeds \$1,000. However, S.C. Code Ann. § 8-13-1318 (Supp. 2011) offers an exception to the general rule when a contribution is made to retire campaign debt incurred in a prior cycle and does not exceed the contribution limit for the cycle in which the debt was incurred. Section 1318 states, in pertinent part:

If a candidate has debt from a campaign for an elective office, the candidate may accept contributions to retire the debt, even if the candidate accepts contributions for . . . the same elective office during a subsequent election cycle, as long as those contributions accepted to retire the debt are (1) within the contribution limits applicable to the last election in which the candidate sought the elective office for which the debt was incurred; and (2) reported as provided in this article.

(emphasis added)

Senator Williams' July 2009 Campaign Disclosure Report reflects, in part, the following contributions, expenditures, and loan payments:

CONTRIBUTIONS

Date	Contributor	Amount
5/08/2009	Francis Marion Plaza, Inc.	\$1,000
5/08/2009	Francis Marion Plaza, Inc.-2008 Debt Retirement	\$1,000
5/08/2009	Ricky Blum	\$1,000
5/08/2009	Ricky Blum-2008 Debt Retirement	\$1,000
5/05/2009	Theresa M. Blum	\$1,000
5/05/2009	Theresa M. Blum-2008 Debt Retirement	\$1,000
5/04/2009	Cynthia B. Rogers	\$1,000
5/04/2009	Cynthia B. Rogers-2008 Debt Retirement	\$1,000

EXPENDITURES

Date	Vendor	Amount
6/30/2009	Anderson Brothers Bank	\$4,000

LOAN REPAYMENTS

Date	Lender	Payment Amount
6/30/2009	Pre-Existing Loan	\$4,000

Senator Williams' October 2010 Campaign Disclosure Report reflects, in part, the following contributions, expenditures, and loan repayments:

CONTRIBUTIONS

Date	Contributor	Amount
8/30/2010	Blum Insurance Company, Inc.	\$1,000
8/30/2010	Blum Inc.-Debt Retirement	\$1,000

EXPENDITURES

Date	Vendor	Amount
8/30/2010	Anderson Brothers Bank	\$1,000

LOAN REPAYMENTS

Date	Lender	Payment Amount
8/30/2010	Pre-Existing Loan	\$1,000

Based on the Reports, it appears that Senator Williams properly received, accepted and reported \$5,000 of campaign contributions from the aforementioned contributors to be applied towards retiring outstanding campaign debt from his 2008 Election Cycle, and Senator Williams properly received, accepted and reported \$5,000 of campaign contributions from those

contributors for the 2012 Primary Election Cycle. It also appears that Senator Williams properly paid down \$5,000 on the outstanding campaign loan from Anderson Brothers Bank, for which he was required to do with the \$5,000 contributed towards retiring the campaign debt that he incurred in 2008. However, while the Committee's staff was assisting Senator Williams with reconciling a discrepancy between the outstanding campaign loan balance reported on his January 2012 Campaign Disclosure Report and the balance that he thought was outstanding, it was discovered from Senator Williams' banking records that the loan repayments reportedly made on June 30, 2009 and August 30, 2010 were never made. Instead, these funds were retained in Senator Williams' campaign account for current use. After direction from the Chairman, Senator Williams promptly made the \$5,000 aggregate payment on his campaign debt as previously reported. Senator Williams subsequently satisfied this debt in full.

The Committee found that the two (2) instances of failing to make campaign loan payments with contributions made for purposes of retiring campaign debt, as such were reported on the Reports, were deliberate attempts to mislead the public into concluding that Senator Williams made the requisite debt retirement payments. This would have enabled Senator Williams to use for current expenses those contributions contributed for retirement of campaign debt incurred in a prior election cycle. Consequently, the Committee imposed the maximum civil penalty of \$2,000, which is allowed by Senate Rule 44.1(B), for each of the two (2) falsely reported loan payments (**\$4,000 total**).

The Committee also found that Senator Williams accepted and retained campaign contributions in excess of the \$1000 statutory limit during the 2012 Primary Election Cycle from the following contributors:

- (1) Francis Marion Plaza, Inc. (\$2,500 excess contributions): \$1,000 on May 8, 2009; \$1,000 on August 30, 2010; \$500 on October 20, 2011; and \$1,000 on January 23, 2012
- (2) Thomas Supply Company, Inc. (\$1,000 excess contributions): \$1,000 on May 6, 2009 and \$1,000 on March 1, 2012
- (3) Johnnie McDowell (\$1,000 excess contributions): \$1,000 on October 18, 2010 and \$1,000 on March 1, 2012
- (4) Anheuser-Busch Cos., Inc. (\$300 excess contributions): \$1,000 on May 8, 2009 and \$300 on January 23, 2012
- (5) C. Edward Floyd (\$500 excess contributions): \$500 on March 18, 2011; \$500 on May 5, 2011; and \$500 on October 20, 2011
- (6) Stephen A. Imbeau (\$501 excess contributions): \$501 on October 1, 2009; \$750 on January 23, 2012; and \$250 on January 23, 2012
- (7) Theresa M. Blum (\$1,000 excess contributions): \$1,000 on May 5, 2009 and \$1,000 on May 22, 2012

(8) Cynthia B. Rogers (\$1,000 excess contributions): \$1,000 on May 4, 2009 and \$1,000 on May 22, 2012

Thus, during his 2012 Primary Election Cycle, Senator Williams received and retained ten (10) excess contributions totaling \$7,801 from these eight contributors. Senator Williams promptly refunded the excess contributions to these contributors once this matter was brought to his attention. As a result of these violations, the Committee imposed a civil penalty in the amount \$100 for each of the ten (10) excess contributions, which is \$1,000, plus five-percent (5%) of the \$7,801 excess contribution amount, which is \$390.05. Thus, the total amount of the civil penalty due for the excess contributions is \$1,390.05.

Consequently, \$5,390.05 is the total amount of civil penalties imposed by the Committee against Senator Williams for the above-described ethics violations. Additionally, the Committee hereby issues the following Order of Public Reprimand against Senator Williams:

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ORDER OF PUBLIC REPRIMAND

Now therefore, pursuant to the Constitution of South Carolina, Article III, § 12 and South Carolina Senate Rule 44.1(B), the South Carolina Senate Ethics Committee hereby orders that Senator Kent M. Williams be and is hereby PUBLICLY REPRIMANDED for the hereinabove violations of Article 13 of South Carolina's Ethics, Government Accountability, and Campaign Reform Act.

- Senator Robert W. Hayes, Jr., Chairman
- Senator Hugh K. Leatherman, Sr.
- Senator John E. Courson
- Senator Phil P. Leventis
- Senator J. Yancey McGill
- Senator John C. Land III
- Senator Harvey S. Peeler, Jr.
- Senator Glenn G. Reese
- Senator C. Bradley Hutto

The image shows seven handwritten signatures in black ink, each written over a horizontal line. From top to bottom, the signatures correspond to the names listed in the adjacent list: Robert W. Hayes, Jr., Hugh K. Leatherman, Sr., John E. Courson, Phil P. Leventis, J. Yancey McGill, John C. Land III, and Harvey S. Peeler, Jr. The signature for Glenn G. Reese is also present but does not have a corresponding name in the list above it. The signature for C. Bradley Hutto is also present but does not have a corresponding name in the list above it.

September
October 27, 2012