

The information provided here is for informational and educational purposes and current as of the date of publication. The information is not a substitute for legal advice and does not necessarily reflect the opinion or policy position of the Municipal Association of South Carolina. Consult your attorney for advice concerning specific situations.

AVOIDING THE \$10,000.00 FINE


ETHICS REFORM ACT OF 1991
MEDHAN WALKER
EXECUTIVE DIRECTOR
STATE ETHICS COMMISSION

HISTORY OF THE SOUTH CAROLINA STATE ETHICS COMMISSION

- Commission was founded in 1975.
- 1990 and 1991: The Ethics Reform Act of 1991 expanded the commission and gave it additional responsibilities.
- 2016: Commission is revamped and authority is expanded.

OPERATION LOST TRUST

- THE INVESTIGATION THAT REPRESENTS THE TURNING POINT FOR ETHICS LAWS IN SOUTH CAROLINA.
- 17 MEMBERS OF THE GENERAL ASSEMBLY CONVICTED.
- 7 LOBBYISTS CONVICTED.
- UNDERCOVER FBI INVESTIGATION INTO RAMPANT CORRUPTION AT THE STATEHOUSE. MEMBERS OF THE GENERAL ASSEMBLY WERE SEEN TAKING CASH BRIBES FROM LOBBYISTS IN EXCHANGE FOR VOTES.



SOUTH CAROLINA ETHICS COMMISSION

PRIOR TO APRIL, 2017

- Nine commissioners appointed by the governor.
- The commission had no authority over members of the General Assembly.

CURRENT COMPOSITION

- 8 commissioners appointed; 4 by the Governor, 1 by House Democrats, 1 by Senate Democrats, 1 by House Republicans and 1 by Senate Republicans.
- The commission has the authority to investigate complaints against members of the General Assembly.

Who Does the Act Cover?

- Public Officials
 - Any elected or appointed official of the state (excluding judges) and any candidate for such office.
- Public Members
 - An individual appointed to a noncompensated, part-time position on a board, commission or council.
- Public Employees
 - Any person employed by the state.

STATEMENTS OF ECONOMIC INTERESTS

Public members must file a Statement of Economic Interests every year they serve.

WHEN TO FILE YOUR SEI

- THIS YEAR: FILE WITHIN TEN DAYS OF ASSUMING YOUR RESPONSIBILITIES
- EVERY YEAR THAT YOU'RE ON THE BOARD: FILE BY MARCH 30TH.

Information Required On Your SEI

- The source, type, and amount or value of income, not to include tax refunds, of substantial monetary value received from a governmental entity by the filer or the filer's immediate family during the reporting period.
- Description, value and location of real property owned/options to purchase real property during the reporting period by filer or immediate family if:
 - Public improvements were made in excess of \$200.00
 - OR
 - The interest can reasonably be expected to be the subject of a conflict of interest.
 - If a sale, lease, or rental of personal property is to a state, county or municipal instrumentality of government, a copy of the contract, lease or rental agreement must be attached to the SEI.

Information Required On Your SEI

The name of each organization which paid for or reimbursed actual expenses of the filer for speaking before a public or private group, the amount of such payment or reimbursement, and the purpose, date and location of the speaking engagement.

Reporting Gifts

- You must report the source and give a brief description of any gifts, including transportation, lodging, food or entertainment received from a person group or entity:
 - If you believe that the gift would not have been given but for your official position.
 - If you believe that the gift giver has or is seeking to obtain contractual or other business or financial relationship with your governmental entity or
 - Conducts operations or activities which are regulated by your governmental entity if the value of the gift is twenty-five dollars ore





How to file your SEI

The screenshot shows the SC.GOV State Ethics Commission website. The main heading is 'Ethics Commission' with the subtitle 'Public Disclosure and Accountability Reporting System'. Under the 'Public Disclosure' menu, 'Accountability Reporting' is selected. The 'Electronic Filing' section is active, displaying the 'Statement of Economic Interests' form. A 'Login' button is visible at the bottom right of the page.

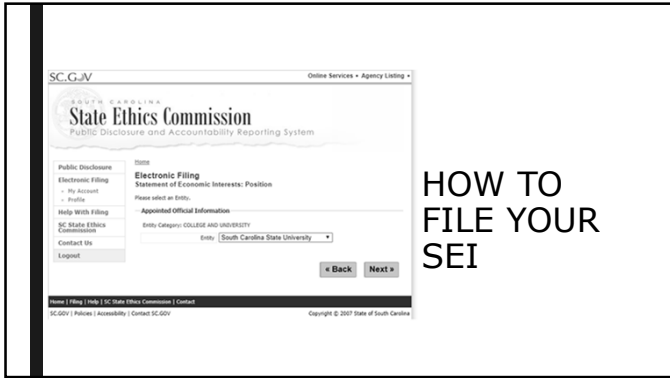
HOW TO FILE YOUR SEI

The screenshot shows the SC.GOV State Ethics Commission website. The main heading is 'State Ethics Commission' with the subtitle 'Public Disclosure and Accountability Reporting System'. Under the 'Public Disclosure' menu, 'Electronic Filing' is selected. The 'Statement of Economic Interests' form is displayed. A red circle highlights the 'Filing Year' dropdown menu, which is currently set to '2017'. A 'Login' button is visible at the bottom left of the page.

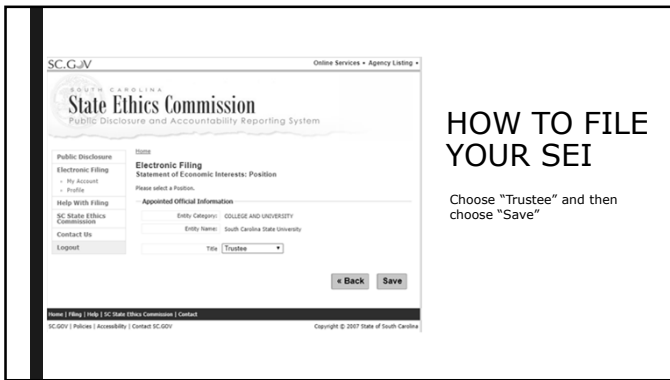
HOW TO FILE YOUR SEI

The screenshot shows the SC.GOV State Ethics Commission website. The main heading is 'State Ethics Commission' with the subtitle 'Public Disclosure and Accountability Reporting System'. Under the 'Public Disclosure' menu, 'Electronic Filing' is selected. The 'Statement of Economic Interests' form is displayed. A red circle highlights the 'Filing Year' dropdown menu, which is currently set to '2017'. A 'Login' button is visible at the bottom left of the page.

HOW TO FILE YOUR SEI



HOW TO FILE YOUR SEI



HOW TO FILE YOUR SEI

Choose "Trustee" and then choose "Save"



HOW TO FILE YOUR SEI

QUARTERLY CAMPAIGN DISCLOSURES

REQUIRED INFORMATION ON CAMPAIGN DISCLOSURES

- Total amount of contributions accepted.
 - Date and amount of each contribution.
 - Name, address and occupation of each person making a contribution.
- Total amount of expenditures made.
 - Name and address of each person/entity to whom an expenditure is made.
 - The date, amount and purpose of each beneficiary of an expenditure.

WHEN TO FILE A CAMPAIGN DISCLOSURE

- When you raise and/or expend five hundred dollars or more, you must file an initial certified campaign report.
- After filing an initial report, campaign reports must be filed within ten days following the end of each calendar quarter.
- Campaign reports must be filed for each quarter in which contributions are received or expenditures are made until a campaign account undergoes final disbursement.
- At least fifteen days before an election, a candidate must file a campaign report showing contributions of more than one hundred dollars and expenditures for the period ending twenty days before the election.

NONCOMPLIANCE

- Remember that this covers information from the previous year.
- Due upon assumption of official duties and then by March 30th of each calendar year.

PENALTIES

- Initial \$100.00 penalty.
- After certified letter is delivered: \$10.00 dollars a day after ten days.
- After ten days: \$100.00 day until maximum penalty of \$5,000.00 is reached.
- There may also be a complaint filed which means possible additional fines and fees.

NONDISCLOSURE

- Must disclose all information required in your SEI.
- If you fail to disclose the required information, you may be given a chance to correct the omission.

PENALTIES

- Maximum fine of \$2,000.00
- Complaint can be filed which may mean additional fees.

INFLUENCING THE OUTCOME OF AN ELECTION

- No person may use government funds, property or time to influence the outcome of an election.
- This includes using government time and resources to influence the outcome of an election or ballot measure. For purposes of this statute, ballot measure means:
 - **Referendum**, proposition, or measure submitted to voters for their approval.
- This is not a prohibition against a governmental entity preparing informational materials, conducting public meetings or responding to news media or citizens' inquiries concerning a ballot measure affecting the governmental entity.

CONFLICTS OF INTEREST

700 violations

- Deals with self-dealing and nepotism.
- Section 8-13-700(A)
 - "No public official, public member, or public employee may knowingly use his official office, membership, or employment to obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated."
 - Exception for incidental use not resulting in additional public expense.
- Section 8-13-700(B)
 - "No public official, public member, or public employee may make, participate in making, or in any way attempt to use his office, membership, or employment to influence a governmental decision in which he, a family member, an individual with whom he is associated, or a business with which he is associated has an economic interest."

FAMILY MEMBERS

Your spouse, parent, brother, sister, child, mother-in-law, son-in-law, brother-in-law, sister-in-law, grandparent or grandchild.

Dictionary defines brother-in-law as:
a - the husband of one's sibling
b - the husband of one's spouse's sibling

ECONOMIC INTEREST

An interest distinct from that of the general public in a purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services in which a public official, public member, or public employee may gain an economic benefit of fifty dollars or more.

Person with whom you are associated

- An individual with whom the person or a member of his immediate family mutually has an interest in any business of which the person or a member of his immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Business with which you are associated.

- A business of which the person, or a member of his immediate family, is a director, an officer, owner, employee, a compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Violations of 740

- Representing a person before any agency, unit or subunit of your BOT for which the public member has official responsibility except as required by law.
 - Applies unless representation occurs in the normal course of business, is ministerial or is personal in nature.

PENALTIES

- Maximum fine of \$2,000.00
- Complaint can be filed which may mean additional fees.

UNDER NO CIRCUMSTANCES MAY YOU...

- RECEIVE ANYTHING OF VALUE WITH THE INTENT OF INFLUENCING YOU IN YOUR OFFICIAL CAPACITY.
- ACCEPT ADDITIONAL MONEY FOR ASSISTANCE GIVEN WHILE PERFORMING YOUR OFFICIAL DUTIES.
- USE CONFIDENTIAL INFORMATION GAINED THROUGH EMPLOYMENT FOR YOUR PERSONAL GAIN.
- REPRESENT ANOTHER PERSON BEFORE YOUR GOVERNMENT BODY.
- MAY NOT ACCCEPT AN ADHONORARIUM FOR SPEAKING ENGAGEMENTS.

IF YOU HAVE A CONFLICT THEN YOU **MUST** RECUSE YOURSELF!

HOW TO RECUSE YOURSELF

- 1) Prepare a written statement describing the matter requiring action or decision and the nature of your potential conflict of interest with respect to the action or decision.
- 2) Public Members: Furnish a copy to the presiding officer of your board, who shall cause the statement to be printed in the minutes and shall require that you be excused from any votes, deliberation and other actions on the matter in question.

REQUESTING AN OPINION

- As a public member, public official, or public employee, you can request either an informal or formal opinion from the State Ethics Commission.
- A formal opinion is issued by the Commission and is binding.
- An informal opinion is issued by Commission staff is not binding,
- For sensitive matters, you may request a confidential formal or informal opinion. Requests must be made in writing.

PLEASE!

ASK US FOR GUIDANCE BEFORE YOU ACT!
<http://ethics.sc.gov/Pages/default.aspx>

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

(803) 253-4192 (office)
 (803) 253-7539 (fax)

Office Hours: 8:30 a.m. - 5:00 p.m., Monday through Friday, excluding State Holidays

For questions about Statement of Economic Interests, please contact jessie@ethics.sc.gov.

For questions about Campaign Disclosures, please contact sandra@ethics.sc.gov.

For questions about the complaint process or the law, please contact amj@ethics.sc.gov.