

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )  
 )  
 )  
IN THE MATTER OF: )  
 )  
COMPLAINT C2012-058 )  
 )  
PHILLIP E. CLARDY, )  
 Complainant; )  
 )  
 vs. )  
 )  
ARLAR CARTHEL CROUT, )  
 Respondent. )  
 )  
\_\_\_\_\_ )

BEFORE THE STATE ETHICS COMMISSION

**DECISION AND ORDER**



Pursuant to Section 8-13-320(10)(i), Code of Laws for South Carolina, 1976, as amended, the State Ethics Commission reviewed the above captioned complaint on March 21, 2012 charging the Respondent, Arlar Carthel Crout, with a violation of Section 8-13-1308(B), Code of Laws for South Carolina, 1976, as amended.

Present at the meeting were Commission Members Phillip Florence, Jr, Chairman, E. Kay Biermann-Brohl, Vice-Chair, Richard H. Fitzgerald, Edward E. Duryea, JB Holeman, Jonathan H. Burnett, Priscilla L. Tanner, and G. Carlton Manley. Also present were the Commission's Executive Director, Herbert R. Hayden, Jr., and his immediate staff.

**ALLEGATIONS**

The following allegations were considered:

That on or about September 2008 the Respondent, as a candidate for Mayor of the Town of Williamston, SC, received an in-kind campaign contribution from a contributor identified as Larry Smith in the amount of \$553.50 and failed to disclose the contribution on campaign disclosure reports filed with the State Ethics Commission.

## **FINDINGS OF FACT**

Having carefully reviewed the evidence presented, the Commission finds as fact:

1. During 2008, the Respondent was a candidate for Mayor of the Town of Williamston, South Carolina in a general election on November 4, 2008.

2. On or about September 12, 2008 the Respondent received an in-kind contribution in the amount of \$553.50 from Williamston businessman Larry Smith.

3. The contributor, on behalf of the Respondent, paid for 150 campaign signs to be produced by C & M Signs, Inc. at \$3.69 per sign.

4. The Respondent filed campaign disclosure reports with the State Ethics Commission on October 17, 2008 and on January 6, 2009; however, failed to disclose the in-kind contribution from Smith or the in-kind expenditure to C & M Signs, Inc. on either report.

5. During or about late February 2010, the failure to report the contribution was brought to the Respondent's attention by the news media.

6. On March 4, 2010 the Respondent amended the January 6, 2009 disclosure report and disclosed the contribution from Smith and the expenditure to C & M Signs, Inc.; however, listed the date of receipt incorrectly as March 3, 2010.

7. On February 8, 2012 the Respondent filed a second amendment to the January 6, 2009 disclosure report correcting the date of receipt to September 12, 2008.

## **CONCLUSIONS OF LAW**

Based upon the foregoing Findings of Fact, the Commission concludes, as a matter of law:

1. During all times relevant, the Respondent was a Public Official as defined by

Section 8-13-1300(28).

2. The State Ethics Commission has personal and subject matter jurisdiction.

3. After the filing of an initial disclosure report, Section 8-13-1308(B) requires that candidates file additional disclosure reports within ten days of the end of each calendar quarter disclosing all contributions received and expenditures made during the calendar quarter.

4. Section 8-13-1308(F) requires that the disclosure reports contain the name and address of the contributor, the date and amount of the contribution, the name and address of each person to whom an expenditure is made, and the date, amount and purpose of the expenditure.

### **DISCUSSION**

The Preamble to the State Ethics Act states that "...full disclosure of campaign contributions and expenditures also is needed to maintain the integrity of the political and governmental processes...". The rising costs of conducting a political campaign, even at the municipal level, make it necessary for candidates to raise a higher percentage of the costs through contributions from supporters, rather than funding campaigns themselves. The disclosure requirements of Campaign Practices portion of the Ethics Reform Act provide the public the opportunity to see who is financially supporting candidates and in what amounts. Failure on the part of the candidate to fully disclose all contributions gives rise to a public perception that the candidate may be improperly influenced by those contributors. This perception tends to undermine the credibility and integrity of the political process, as well as the integrity of the individual candidate.

In the case at hand, it is important to note that for whatever reason the Respondent

failed to timely disclose the in-kind contribution, when this failure was brought to his attention, he promptly amended his disclosure report and resolved the matter, albeit after the election. While this action does resolve the impaired disclosure, it does not resolve the fact that the public was denied the opportunity to be fully informed prior to the election.

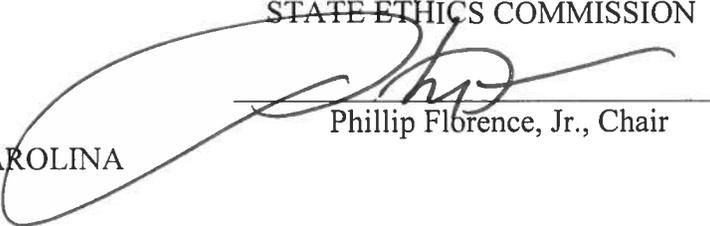
**DECISION**

THEREFORE, based upon evidence presented, the State Ethics Commission has determined that there is not probable cause to indicate that the Respondent, Arlar Carthel Crout, knowingly violated Section 8-13-1308, S.C. Code Ann., 1976, as amended. The Commission has therefore dismissed the charges in accordance with Section 8-13-320(10)(i), Code of Laws for South Carolina, 1976, as amended, and the rules and regulations promulgated thereunder.

HOWEVER, the State Ethics Commission cautions the Respondent to be more cognizant of the disclosure requirements in future elections to avoid creating an appearance of impropriety.

IT IS SO ORDERED THIS 16<sup>th</sup> DAY OF May, 2012.

STATE ETHICS COMMISSION

  
Phillip Florence, Jr., Chair

COLUMBIA, SOUTH CAROLINA