STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	)	BEFORE THE STATE ETHICS COMMISSION
IN THE MATTER OF:	)	
COMPLAINT C2014-037	)	
State Ethics Commission, Complainant,	)	**DECISION AND ORDER**
Michael L. Chestnut, Respondent.	)	

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STATE ETHICS COMMISSION

This matter comes before the State Ethics Commission by virtue of a complaint filed by the Commission on September 23, 2013. On November 20, 2013, pursuant to S.C. Code Ann. § 8-13-320(10)(i)(Supp. 2013), the State Ethics Commission reviewed the above-captioned complaint charging Respondent, Michael L. Chestnut, with violations of Section 8-13-1308 and probable cause was found.

Present at the Hearing on July 16, 2014 were Commission Members, James I. Warren, III, Chair, James H. Burns, and Regina H. Lewis. Respondent was present and represented by Butch Bowers. Complainant was represented by Cathy L. Hazelwood, General Counsel. The following charges were considered:

COUNT ONE
FAILURE TO FILE QUARTERLY CAMPAIGN DISCLOSURE REPORT
SECTION 8-13-1308(B), S.C. CODE ANN., 1976, AS AMENDED

That the Respondent, Michael L. Chestnut, a member of Myrtle Beach Town Council, was in a November 2011 election, did in Richland County, fail to timely file a January 10, 2013 quarterly Campaign Disclosure Report within ten days of the end of the calendar quarter, all in violation of Section 8-13-1308(B).

COUNT TWO
FAILURE TO FILE QUARTERLY CAMPAIGN DISCLOSURE REPORT
SECTION 8-13-1308(B), S.C. CODE ANN., 1976, AS AMENDED

That the Respondent, Michael L. Chestnut, a member of Myrtle Beach Town Council, was in a November 2011 election, did in Richland County, fail to timely file a April 10, 2013 quarterly Campaign Disclosure Report within ten days of the end of the calendar quarter, all in violation of Section 8-13-1308(B).

FINDINGS OF FACT

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

1. The Respondent, Michael L. Chestnut, is a member of Myrtle Beach Town Council and was in a November 2011 election.

2. Kristin Smith, administrative coordinator of the Commission's non-compliance office, testified that on May 21, 2013 Respondent was assessed a $200.00 late filing penalty for failure to file a January 10, 2103 and an April 10, 2103 Campaign Disclosure form (CD). On June 26, 2013 the penalty letter was sent certified and delivered on June 27, 2013; however, on July 29, 2013 the certified letter was returned to the Commission as unclaimed. It was re-mailed first class on July 30, 2013. Penalties began accruing at $10 per day per form August 10, 2013 and at $100 per day per form on August 20, 2013. Respondent filed the CDs on October 1, 2013. The late filing penalty of $8,800.00 has not been paid.

3. Daniel Choate, State Ethics Commission Investigator, testified that on October 1, 2013 Respondent advised him that he had closed out his campaign bank account and he reported that he would fax a copy of the final bank statement to the Commission. He

stated he would contact Commission staff for assistance in filing the proper statements. He also stated he had received the Commission's correspondence concerning his delinquency. On October 1, 2013 Respondent complied by filing a January 10, 2013 quarterly CD and an April 2013 final CD. It was determined that Respondent closed his campaign bank account on March 29, 2013. The outstanding penalty remains at $4,400.00 each for two late CDs.

3. The Respondent, Michael L. Chestnut, testified that he has served on the Myrtle Beach Town Council since 2000. He testified that it is his normal practice to close the campaign account following each election and he thought he had done that following the 2011 election. He didn't realize that he was not in compliance until he received a call from a Myrtle Beach Herald reporter. He then closed the account. He does not dispute his responsibility

CONCLUSIONS OF LAW

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

1. During all times relevant, the Respondent, Michael L. Chestnut, was a candidate as defined by Section 8-13-1300(4).

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

3. Section 8-13-1308(B) provides:

> Following the filing of an initial certified campaign report, additional certified campaign reports must be filed within ten days following the end of each calendar quarter in which contributions are received or expenditures are made, whether before or after an election until the campaign account undergoes final disbursement pursuant to the provisions of Section 8-13-1370.

5. Section 8-13-1510(1) provides as follows:

> Except as otherwise specifically provided in this chapter, a person required to file a report or statement under this chapter who files a late statement or report or fails to file a required statement or report must be assessed a civil penalty as follows:
>
> (1) a fine of one hundred dollars if not filed within five days after the established deadline provided by law in this chapter;

DECISION

NOW, THEREFORE, based on the foregoing Findings of Fact and Conclusions of Law, the State Ethics Commission has determined based upon a preponderance of evidence that Respondent Michael L. Chestnut is in violation of Section 8-13-1308; and therefore, Respondent Michael L. Chestnut is hereby assessed a reduced late-filing penalty of $2,200.00 to be paid within three months of receipt of the order. If the reduced late-filing penalty is not timely paid then the amount owed will revert to the original late filing penalty of $8,800.00.

IT IS FURTHER ORDERED, pursuant to Section 8-13-320, a Judgment in the amount of $8,800.00 is, and shall be entered against Respondent, if she fails to pay the reduced late-filing penalty within the time permitted.

IT IS FURTHER THE ORDER OF THIS COMMISSION that the Clerk of Court of the County in which Respondent was last known to reside shall enter this Order in its Judgment Rolls, without cost to the State Ethics Commission, in the amount of $8,800.00 upon the Commission's filing of same with the Clerk of Court's Office.

FINALLY, Respondent Michael L. Chestnut has ten (10) days from receipt of this order to appeal this Decision and Order to the full Commission.

IT IS SO ORDERED THIS 6 DAY OF Aug, 2014.

STATE ETHICS COMMISSION

JAMES I. WARREN, III
HEARING CHAIR

COLUMBIA, SOUTH CAROLINA