RECEIVED
2011 JUL 18 PM 2:52
STATE ETHICS COMMISSION
RECEIVED
2011 JUN 30 PM 3:17
STATE ETHICS COMMISSION

STATE OF SOUTH CAROLINA	)	BEFORE THE STATE ETHICS COMMISSION
COUNTY OF RICHLAND	)	
IN THE MATTER OF:	)	
COMPLAINT C2011-057	)	
Matthew K. Watson, Complainant;	)	**CONSENT ORDER**
vs.	)	
James Ken Ard, Respondent.	)	

This matter comes before the State Ethics Commission by virtue of a complaint filed by Matthew K. Watson on February 2, 2011. The investigative results were reviewed by the State Ethics Commission on March 16, 2011 and probable cause was found to warrant an evidentiary hearing on one hundred six potential violations.

Prior to the call of the case the Respondent agreed to entry of the following Statement of Facts, Conclusions of Law, Discussion, Admissions, Penalties and Disposition in this matter as follows.

STATEMENT OF FACTS

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

1. The Respondent, James Ken Ard, is the Lieutenant Governor of the State of South Carolina and has served in this capacity since January 12, 2011, first being elected on November 2, 2010.

2. On February 2, 2011, as the result of a media inquiry into questionable campaign expenditures, a letter was sent to the Respondent, at the address of record, advising him of an administrative audit of his January 10, 2011 campaign disclosure

report. The address of record was a campaign headquarters which had been closed after the November 2, 2010 election without submitting a change of address to the postal service or notifying the Commission of the change.

3. On February 2, 2011 the State Ethics Commission received a complaint from Matthew K. Watson alleging multiple violations of the campaign finance portion of the State Ethics Act.

4. On February 4, 2011 the Commission was contacted by a representative of the Respondent who provided a home address and requested that a copy of the letter be sent there. A copy of the February 2, 2011 letter was immediately forwarded to the new address.

5. On February 8, 2011 the Commission received a letter of legal representation from Karl S. Bowers, Jr. Esquire indicating that his firm would be representing the Respondent and would submit a response to the Commission's inquiry.

6. Also on February 8, 2011 the Executive Director reviewed Complaint C2011-057, determined that the complaint alleged violations of the same issues as discussed in the Director's letter of February 2, 2011 and ordered an investigation.

7. The investigation consisted of a review of the Respondent's January 10, 2011 campaign disclosure report; a March 2, 2011 letter from Mr. Bowers in response to the Director's letter of February 2, 2011; several advisory opinions issued by the Senate Ethics Committee, the House of Representatives Ethics Committee, and the State Ethics Commission; and Comptroller General's Disbursement Regulations as they apply to official travel by the Lieutenant Governor. Interviews were conducted with administrative personnel of the Senate Ethics Committee and the House of

Representatives Ethics Committee in Columbia, SC; administrative personnel in United States Senator Lindsey Graham's Washington, DC office; an attorney with the Office of Senate Legal Counsel in Washington, DC; the General Counsel for the University of South Carolina; and various employees of merchants where questionable campaign expenditures were made.

8. On March 2, 2011 a response was received from the Respondent's attorney along with copies of some receipts and credit card statements. The response addressed the expenditures in four (4) categories; (1) Fuel; (2) Meals; (3) Other Travel; and (4) Supplies/Equipment. Receipts for additional expenditures were requested on March 3, 2011.

9. In the Respondent's response he attempts to justify the expenditures as being campaign related and/or as an expense incurred as an office holder; however, at the time of the expenditures, he was not an office holder and had no official duties until he was sworn in during the January 2011 inauguration. Nevertheless, the investigation addressed the expenditures as if he was an office holder and whether the expenditure would have been proper if he were. In Advisory Opinion 92-3 the House states that "Funds collected by a candidate for public office is money received by (from) contributors who are attempting to help the candidate get elected. Those funds should, thus, be utilized only for the purposes of facilitating the candidate's campaign and assisting the candidate carry out his or her duties of office **if elected**." (Emphasis added)

10. In a January 31, 2011 *Free Times* online article entitled "S.C. Ethics Commission Wants Answers From New Lt. Gov. Ard", the Respondent is quoted as saying "I'll be honest, I'm not really good at dotting i's and crossing t's, but I've got a

lot, a lot of money in here and I'm certainly not spending any money on my own personal behalf."

11. The article goes on to say "Ard told *Free Times* Jan. 31. 'I've got a vast amount of my personal wealth tied up in this campaign and I'm just trying to recoup as much of that as I can'."

12. During the period November 3, 2010 through December 22, 2010, a fifty (50) day period, the Respondent made eighteen (18) expenditures for fuel for a total of $808.10. On November 3, 2010 two (2) purchases were made at the same location for $47.00 and $32.01. The purchases ranged from a low of $25.00 to a high of $62.00. According to the Respondent's response, the expenditures were for travel to meet with past and prospective contributors to raise money for his campaign account.

13. According to administrative personnel of the Senate Ethics Committee and the House of Representatives Ethics Committee, fuel purchases are not allowed. Both committees have issued advisory opinions stating that mileage reimbursement for campaign related travel is the only acceptable method. The Commission has concurred in informal opinions issued to candidates.

14. The following advisory opinions address mileage reimbursement: House Opinion 92-43 states "The expenditure of money for transportation while campaigning is campaign related, and the current state rate for reimbursing mileage is within the "fair market" limitations of Section 8-13-1348(D)."; House Memorandum dated March 27, 1996 provides "#8. Reimbursement for mileage incurred while campaigning...The state rate in effect at the time the mileage is incurred **must** be used in determining the amount of the reimbursement." (Emphasis added.)

15. Commission opinions AO90-035 and AO92-028 address County Sheriff's use of assigned vehicles during a campaign and state "The Commission advised that a log of vehicle use be maintained noting the mileage for election campaign purposes. Reimbursements at the standard mileage rate for those activities which are deemed to be political in nature should be made to the public agency." And "Since there are no exceptions for the use of assigned vehicles, the State Ethics Commission would reaffirm its earlier Advisory Opinion 90-035 and advise that a log be maintained and that the county be reimbursed for mileage utilized for election campaigning.".

16. State Budget and Control Board Disbursement Regulations as posted by the Comptroller General state: "Miscellaneous – #17. Definition of Terms – (H) For the purpose of brevity, a State Employee is considered to be: any **elected,** appointed, classified, or unclassified employee or a member of any board, committee or commission (either permanent or temporary)." (Emphasis added.)

17. State Budget and Control Board Disbursement Regulations as posted by the Comptroller General state: "Mileage - #2. State Employees When an employee of the State shall use his or her personal automobile in traveling on necessary official business, a charge to equal the standard business mileage rate as established by the Internal Revenue Service will be allowed for the use of such automobile…"

18. During the period November 3, 2010 through December 23, 2010, a fifty-one (51) day period, the Respondent made forty-two (42) expenditures for meals for a total of $1,699.03. The purchases ranged from a low of $1.67 to a high of $204.12. According to the Respondent's response, the expenditures were for meals to meet with past and prospective contributors to raise money for his campaign account; however, no

names or details were provided.

19. In accordance with Section 8-13-1348(B) reimbursement for food or beverages is allowed only when "consumed by the candidate or members of his immediate family while at, and in connection with, **a political event**." (Emphasis added.)

20. According to the campaign disclosure report, seventeen (17) of these expenditures were for restaurants in Florence and Hemingway, his home town, one of which was the purchase of a $200.00 gift card. Of the remaining nineteen (19), thirteen (13) were in Columbia, two (2) in Washington, two (2) in Myrtle Beach, and two (2) in Charleston.

21. There are no Senate, House or Commission opinions which specifically address the reimbursement of meal costs during campaigns other than at political events. The Commission staff has consistently advised in informal opinions that meals, other than at a political event/function, are not allowable.

22. State Budget and Control Board Disbursement Regulations as posted by the Comptroller General provide that the Statewide Constitutional Officers "may be reimbursed actual expenses when traveling on official business of the state", and also provides that "the spouses of the Governor and the Lt. Governor are authorized to receive reimbursement of actual expenses when accompanying the Governor or Lt. Governor on official state business".

23. In accordance with Section 8-13-1348(A) these actual expenses while on official state business could be paid using campaign funds; however, since the Respondent was not the Lt. Governor at the time of these expenditures, this option is not

available to him.

24. Throughout the Respondent's response, he attempts to justify the expenditures as meeting with past and prospective contributors to raise money for his campaign account; however, according to the campaign disclosure report for this period, the Respondent received only two (2) contributions between November 3, 2010 and December 31, 2010; $2,000.00 from AT&T in Columbia and $250.00 from W. Scott Mitchell of Florence.

25. During the period covered by the January 10, 2011 Campaign Disclosure report, the Respondent disclosed multiple expenditures for travel/lodging/airfare. According to the Respondent's response, the expenditures were for airfare and lodging while traveling in and out of state to meet with past and prospective contributors to raise money for his campaign account; to meet with United States Senator Lindsey Graham "to discuss issues affecting South Carolina, including economic development, and the role of the Lieutenant Governor's office in addressing these issues."; attend the National Lieutenant Governor's Association new member meeting; and attend the Southeastern Conference Championship football game in Atlanta, Ga.

26. The January 10, 2011 disclosure report reflects an expenditure of $369.60 for lodging at the Hilton in Omaha, Nebraska. The Respondent justifies the expenditure as lodging at the National Lieutenant Governor's Association new member meeting, an office-related event. Attendance at such an event as an office holder would be a legitimate expenditure by the State; however, since the Respondent was not an office holder at the time of the expenditure he was not eligible for reimbursement from the State. Therefore, the use of campaign funds for this expenditure appears appropriate.

27. On the January 10, 2011 disclosure report the Respondent listed an expenditure of $279.00 for lodging at the Hyatt in Atlanta, Ga. In his response, the Respondent stated that the expenditure was for lodging to attend the Southeastern Conference Championship football game.

28. According to the Respondent's response, he was invited to attend this event at the invitation of "University of South Carolina officials in his capacity as Lieutenant Governor-elect."; however, he did not provide details of exactly who may have invited him.

29. The investigation reveals that no official invitation was extended. Since the University of South Carolina is a lobbyist's principal and lobbys at the state level, the University would have been in violation of state lobbying laws if such an invitation had been extended.

30. A personal friend of the Respondent, Dr. Edward Floyd, a member of the University Board of Trustees, invited the Respondent to join him and others on a University sponsored bus trip. The invitation was from Dr. Floyd, not the University. When it was learned that the University would be placing itself in jeopardy of a lobbying violation, the offer was rescinded, and the Respondent was given the opportunity to purchase tickets to the game.

31. Credit card statements for the Respondent's campaign account confirmed the purchase of two tickets in the amount of $168 with campaign funds. In his response, the Respondent stated that he had reimbursed his campaign with personal funds; however, the January 10, 2011 disclosure report reflects no such reimbursement, nor has the Respondent filed an amended report.

32. The January 10, 2011 disclosure report reflects that campaign funds were used to pay for lodging in Columbia and Charleston in the amount of $722.33 and $577.96 respectively. The Respondent's response stated that these were campaign related; however, he failed to provide details of how or why they were related. The disclosure report reflects no contributions from anyone in Charleston during this time period.

33. The Respondent's response indicated that "When traveling to Columbia for overnight trips for both office-related business and campaign fundraising meetings, (he) stayed at either the Marriott hotel on Hampton Street or the Marriott hotel on Assembly Street..." The January 10, 2011 disclosure report does not reflect any expenditure for such lodging.

34. On credit card statements for the Respondent's campaign account investigators located six additional lodging charges which were not disclosed on the January 10, 2011 report.

35. Also in his response the Respondent cites one specific trip to Washington, DC during the Christmas 2010 holidays to meet with Senator Lindsey Graham "to discuss issues affecting South Carolina, including economic development, and the role of the Lieutenant Governor's office in addressing these issues."

36. According to flight records provided by Mr. Bowers, the Respondent, his wife and three children flew to Washington on Saturday, December 25, 2010, and returned to Florence, SC on Tuesday, December 28, 2010.

37. On March 8, 2011 investigators contacted the Washington, DC office of Senator Graham and asked if they would provide details of the Respondent's meeting

with the Senator. A return call from Mr. Grant Vinik, an attorney with the Office of Senate Legal Counsel, reveals that no such meeting took place.

38. According to Mr. Vinik, several days before Christmas, Senator Graham's office received a telephone call from a representative of the Respondent asking if the Senator's office could arrange a tour of the Capital and the Library of Congress for the Respondent and his family. This is a normal service for visitors from South Carolina and the request was granted.

39. According to Mr. Vinik, the Respondent and his family arrived at Senator Graham's office on Monday, December 27, 2010. As a courtesy to the Lieutenant Governor-elect, Senator Graham's Chief of Staff was present to welcome them to Washington and answer any questions they may have had. After a brief conversation, the family picked up their tour information and left. The entire event lasted only a few minutes.

40. According to Mr. Vinik, Senator Graham was in South Carolina for the Christmas break and did not see or speak with the Respondent.

41. During this trip the Respondent used campaign funds to pay for airfare for himself, his wife and three children in the amount of $1,266.50, lodging in the amount of $721.08, meals totaling $327.52 and limo services totaling $228.00. The total amount of campaign funds expended for this trip was $2,543.10.

42. On November 29, 2010 the Respondent used campaign funds to make an expenditure of $799.20 at a women's dress shop in Florence known as Cynthia. The expenditure was disclosed on the January 10, 2011 disclosure report as "supplies". In his response, the Respondent states that the expenditure was to purchase a dress for his wife

to wear to the Inauguration Ceremony on January 12, 2011.

43. The Respondent's attorney states that the Respondent was constitutionally required to attend, and asserts that "by custom and traditional practice the spouses of constitutional officers are also expected to attend. Moreover, it is generally expected and an informal responsibility of constitutional officers and their spouses that they be dressed appropriately for the occasion..."

44. The State Ethics Commission does not disagree with anything in the above paragraph; however, a dress is a personal item. Neither the Senate, House, nor Commission has ever approved the purchase of clothing as a campaign related expenditure. Further, State Budget and Control Board Disbursement Regulations would not allow such a purchase to be reimbursable to an office holder.

45. A copy of a receipt from Cynthia dated November 29, 2010 was provided by the Respondent's attorney on March 30, 2011, and reveals the purchase of a ladies jacket in the amount of $484.00, and a ladies skirt in the amount of $256.00. With tax the purchase totaled $799.20.

46. The January 10, 2011 disclosure report reflects campaign funds used for the purchase of "computer equip" in the amount of $3,056.30 from Best Buy in Florence, SC. A receipt for this purchase dated December 6, 2010 was received from the Respondent's attorney on March 30, 2011.

47. In his response, Mr. Bowers states that the expenditure was for "computers and other office equipment for use in his (Respondent's) home for campaign and office-related purposes. Since he is maintaining his residence in Florence County while serving as Lieutenant Governor, Mr. Ard determined that it made sense to establish

a home office so that he could conduct official business while away from Columbia..."

48. Investigators contacted Best Buy, and using the receipt provided, obtained a list of the items purchased. The items included: a 160G Playstation 3 for $324.99; a 46" Sony Flat Screen Television for $974.99; an iPod Touch 8G for $229.99; an iPod charger for $15.99; an iPod case for $8.99; a set of Sony Earbud Headphones for $14.99; a Monster HDMI cable for $59.99; and two 32G iPads for $599.99 each. With tax, the purchase totaled $3,056.30.

49. Investigators examined copies of the campaign account credit card statements and located the following expenditures which were not disclosed on the January 10, 2011 disclosure report: (1) Half-Moon Outfitters in the amount of $560.67 on November 6, 2010; (2) Talbots in the amount of $313.51 on November 20, 2010; and (3) GAP USA in the amount of $23.63 on November 29, 2010.

50. A request for copies of these receipts was submitted to the Respondent's attorney on March 16, 2011. Investigators were advised on April 6, 2011 that the Respondent could not locate the receipts.

51. On April 7, 2011 investigators contacted Half-Moon Outfitters, Talbots and GAP USA and requested copies of receipts and a list of items purchased.

52. On April 7, 2011 Half-Moon Outfitters provided a copy of a receipt dated November 6, 2010 in the amount of $560.67 and a list of the items purchased. The items included: one pair of Men's Clarks Wallabee Shoes at $115.00; one pair of Men's Shoes Special Order at $115.00; one Men's North Face Windwall Jacket at $99.00; one pair of Columbia ROC Pants at $40.00; one pair of Columbia Lander Pants at $45.00; one Half-Moon Outfitters Long-Sleeve T-Shirt at $20.00; one pair of Men's Clarks Agency Boots

at $89.99; and one Half-Moon Outfitters Short-Sleeve T-Shirt (Free with over $500 Purchase).

53. On April 8, 2011 Talbots provided a list of the items purchased on November 20, 2010 in the amount of $313.51. The items included: one pair of ladies Black/Multi Tweed pants at $119.00; one ladies Red Turtleneck at $50.50; one ladies Pink Turtleneck at $44.99; and one pair of ladies Black Corduroy Pants at $69.50.

54. On April 29, 2011 GAP USA provided a list of the items purchased on November 27, 2010 in the amount of $23.63. The items included one ladies Ponte Skirt at $15.99 and one ladies Fashion Turtleneck at $5.99.

55. On the January 10, 2011 disclosure report the Respondent disclosed five payments to Verizon Wireless for cell phone services in amounts between $350.00 and $500.00. On March 16, 2011 investigators requested copies of Verizon Wireless statements for the period October 2010 through December 2010. Copies were received March 31, 2011.

56. On April 11, 2011 Investigators reviewed the statements and determined that the Respondent's campaign was paying for four different numbers. A clarification was received from the Respondent's attorney on April 13, 2011 and revealed that the campaign had contracted for three cell phones and one "wireless air card". Investigators confirmed that the three phones and "wireless air card" were used by campaign staff for campaign purposes.

57. The Respondent's attorney also provided information on a fifth "mobile device" which was "used by Mrs. Ard solely for personal purposes." The charges for this cell phone were also paid with campaign funds.

58. The Respondent, through his attorney, volunteered the information regarding the fifth cell phone and admitted that "While the use of campaign funds to pay for this device was inadvertent, it was still impermissible."

59. A summary of the investigation was presented to the State Ethics Commission to determine if probable cause existed to formally charge the Respondent with violations of the Ethics, Government Accountability and Campaign Reform Act of 1991 (State Ethics Act).

60. At that time, the State Ethics Commission found probable cause on the one hundred six counts contained in the Notice of Hearing issued March 17, 2011.

61. Subsequent to the issuance of the Notice of Hearing and upon receipt of information contained in items 54 through 57 above, the Commission amended its Notice of Hearing to include Count 107, Use of Campaign Funds For Personal Expenses, Section 8-13-1345(A), S.C. Code Ann., 1976, As Amended.

CONCLUSIONS OF LAW

Based upon the foregoing Statement of Facts, the Commission concludes, as a matter of law:

1. During all times relevant, the Respondent, James Ken Ard, was a public official as defined by S.C. Code Ann. § 8-13-1300(28)(Supp. 2007), and therefore subject to the jurisdiction of the State Ethics Commission.

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

3. Section 8-13-1348 (A) provides that "No candidate ... may use campaign funds to defray personal expenses which are unrelated to the campaign or the office if the candidate is an officeholder nor may these funds be converted to personal use. The

prohibition of this subsection does not extend to the incidental personal use of campaign materials or equipment nor to an expenditure used to defray any ordinary expenses incurred in connection with an individual's duties as a holder of elective office."

4. Section 8-13-1348(B) allows for "The payment of reasonable and necessary travel expenses or for food or beverages consumed by the candidate or members of his immediate family **while at, and in connection with, a political event...**" (Emphasis Added)

5. Section 8-13-320(10)(l) provides that the Commission may levy a civil penalty of "...not more than two thousand dollars for each violation...".

6. Section 8-13-780(C) provides that "The value of anything received by a public official ... in breach of the ethical standards of this chapter ... is recoverable by the State.

7. Section 8-13-130 provides that the Commission may levy an enforcement or administrative fee to reimburse the Commission for costs associated with the investigation of a violation.

DISCUSSION

The State Ethics Commission, in Section 8-13-100, et. seq., South Carolina Code of Laws, 1976, as amended, is charged with the responsibility of enforcing the State Ethics Act. Section 8-13-320(10)(a) through (o) dictates the manner in which the Commission conducts its investigations, inquiries, and hearings. While the statute does provide for criminal penalties for violations of the State Ethics Act, the responsibility for criminal prosecution rests solely with the Attorney General. Anyone charged with an administrative violation of Chapter 13 of Title 8 is entitled to an administrative hearing

before a panel of three Commissioners. The Respondent acknowledges that the Commission is the sole authority responsible for determining if an administrative violation of the State Ethics Act has occurred, and the Respondent recognizes and does not dispute the Commision's jurisdiction over this matter.

Subsequent to the issuance of the Notice of Hearing, the Respondent, through his attorneys, has indicated to the Commission his desire to resolve this matter without the burden of a hearing. The Commission has historically resolved matters similarily by consent orders, and in this regard, the Commission is agreeable.

In an effort to avoid a lengthy and costly hearing into the allegations contained in the Commission's Notice of Hearing, both the Commission, through its staff, and the Respondent, through his legal counsel, have attempted to resolve this matter through an agreed upon order. Throughout the investigation of this matter and into the negotiations of this resolution, the Respondent has not denied the factual allegations made herein; however, he has at all times maintained that the expenditures were "...permissible and appropriate..." and did not violate the State Ethics Act. These assertions are evidenced in the Respondent's written response to investigator's questions and were taken into account during the determination of probable cause.

Unlike a criminal prosecution which requires proof beyond a reasonable doubt, the burden of proof required for an administrative finding of guilt by the Commission is a preponderance of evidence. Based on the evidence presented at probable cause, and subsequent investigation, it is the Commission's position that sufficient evidence exists to support an administrative finding of a violation in each of the one hundred six counts, plus the additional count involving the expenditure for a cell phone for the Respondent's

wife's personal use.

With regard to the expenditures at issue in this case, it is now and always has been the Commission's position that:

A. Purchasing fuel for a privately owned vehicle has never been an approved expenditure for a candidate or an office holder. It is impossible to determine how much fuel is used for campaign/official business related travel and how much is used for personal travel. The Commission, as well as both the Senate and House of Representatives Legislative Ethics Committees, has historically recommended the use of a mileage log and reimbursement at the current IRS approved rate.

B. Purchasing normal daily meals with campaign funds while traveling on campaign related business either before or after an election is prohibited. Such expenditures are personal. Section 8-13-1348 allows campaign funds to be used to purchase meals only while at, and in connection with, political events. Daily travel is not considered a "political event".

C. Travel expenses, to include air fare, fuel, meals and lodging, unless directly related to a campaign event may not be paid for with campaign funds. Senate Advisory Opinions 93-4 and 93-7 address expenditures from campaign funds by members of the Senate. Neither makes any reference to expenditures prior to taking office or in a non-political event fundraising. The opinion suggests the following test: "In determining whether a particular expenditure is permissible, a member should ask: (A) Is the expenditure "ordinary", that is, is the expense something "commonly encountered" or "usual" for the holder of public office…; (B) is the expense incurred in connection with a member's duties as an officeholder…; and (C) will the member realize

no personal gain, aside from any benefit received by the public at large, from making the expenditure?"

D. Clothing or other personal items are not campaign related and the use of campaign funds to purchase such items is prohibited regardless of the event.

E. Purchasing computer equipment with campaign funds to establish an office in a public official's home may be allowable if the equipment purchased is to be used solely for official use. In Opinion 99-3 the House provides that if a computer is to be used for both personal and campaign/office related purposes, then the public official should purchase the equipment with personal funds. In this specific case, the items purchased had no applicability to the official duties of the Lieutenant Governor; therefore, are personal items.

In closing, the Commission has determined that this agreement is allowable even while the Respondent contends that he did not commit the violations as described in Counts 1 through 49, 53, 54, 84 through 95, and 100 through 105.

In doing so, the Commission does not in any way agree with the Respondent's contention, nor does the Commission condone the Respondent's actions or attempt to minimize the impact of his conduct. Rather, the Commission reiterates its position that sufficient evidence exists to support an administrative finding of a violation in all one hundred seven counts if a hearing on the merits were to be held.

ADMISSIONS

The Respondent, James Ken Ard, admits that he violated the provisions of the State Ethics Act as described in the Commission's Notice of Hearing, to wit: the Respondent admits to violations as described in Counts 50 through 52, 55 through 83, 96

through 99, 106 and 107, and agrees to pay the following penalties.

PENALTIES

A. With regard to Counts 1 through 49, 53, 54, 84 through 95, and 100 through 105 the Respondent, James Ken Ard, agrees to pay a fine of $100.00 for each count for a total fine of $6,900.00;

B. With regard to Counts 61 through 83 the Respondent, James Ken Ard, agrees to pay a fine of $500.00 for each count for a total fine of $11,500.00;

C. With regard to Counts 50, 51, 52, 55, 56, 57, 58, 59, 60, 96, 97, 98, 99,106 and 107 the Respondent, James Ken Ard, agrees to pay a fine of $2,000.00 for each count for a total fine of $30,000.00.

DISPOSITION

Based on the evidence presented, the State Ethics Commission hereby adopts the Statement of Facts, Conclusions of Law, Discussion, Admissions, Penalties and Disposition as agreed upon by the Respondent.

THEREFORE, the State Ethics Commission hereby issues a public reprimand to the Respondent, James Ken Ard, for his conduct as alleged in the Commission's Notice of Hearing,

AND, orders the Respondent, James Ken Ard, to pay a fine of $48,400.00 to the State Ethics Commission within thirty days of receipt of this order,

AND, FURTHER orders the Respondent, James Ken Ard, to reimburse the State Ethics Commission $12,500.00 within thirty days of receipt of this order for investigative and administrative costs,

AND, FURTHER orders the Respondent, James Ken Ard, to reimburse his

campaign account $12,121.35 for personal use of campaign funds as described in Counts 1 through 60 and 84 through 107; provide the State Ethics Commission with documentation of payment; and file an amended Campaign Disclosure form, to include all expenditures described in Counts 61 through 83, within thirty days of receipt of this order.

The Commission and the Respondent hereby agree and acknowledge that this Consent Order is a compromise of the charges contained in the Commission's Notice of Hearing. If the Respondent fulfills each of the terms and conditions under this Consent Order, the Commission hereby agrees that it will not file any additional charges for any matters during the period investigated or prior to the November 2, 2010 election. Nothing herein bars the Commission from filing charges for any matters that may have occurred after the period investigated, including any matters that may occur after the entry of this Consent Order. This Consent Order shall serve as the Commission's final disposition of this matter pursuant to and in accordance with the terms set forth herein.

AND IT IS SO ORDERED THIS 15th DAY OF July 2011.

STATE ETHICS COMMISSION

Phillip Florence, Jr.
Chairman

James Ken Ard
Respondent