

# **STATE ETHICS COMMISSION**

## **SECTION I - EXECUTIVE SUMMARY**

The General Assembly established the State Ethics Commission's mandate to restore public trust in governmental institutions and the political and governmental processes. The State Ethics Commission's mission is established by the statutory provisions of the Ethics Reform Act of 1991, Sections 2-17-5, et. seq., and 8-13-100, et. seq., Code of Laws for South Carolina, 1976, as amended. The State Ethics Commission has one program, Administration. This program encompasses four distinct areas of responsibility of the Ethics, Government Accountability and Campaign Reform Act of 1991: lobbying registration and disclosure; ethical rules of conduct; financial disclosure; and campaign practices and disclosure.

### **1. Mission and Values**

The State Ethics Commission is an agency of state government responsible for the enforcement of the Ethics Reform Act to restore public trust in government, which is our mission. The Commission's mandate is to ensure compliance with the state's laws on financial disclosure, lobbyist/lobbyist's principal disclosure and campaign disclosure; regulate lobbyists and lobbying organizations; issue advisory opinions interpreting the statute; educate public officeholders and the public on the requirements of the state's ethics laws; conduct criminal and administrative investigations of violations of the state's ethics laws; and prosecute violators either administratively or criminally.

### **2. Major Achievement from Past Year**

The major achievement from the past year was the complete implementation of mandatory electronic filing. In addition, the passage of H3183 provided long sought changes to the Ethics Act

regarding criminal penalties for failure to file.

### **3. Key Strategic Goals for Present and Future Years**

Now that the mandated use of the electronic filing system by all filers has become law, the Commission key strategic goal is to have legislation introduced to amend various sections of the Ethics Reform Act to reflect mandatory filing requirements, i.e. those sections that discuss paper forms being forwarded, etc. Staff adjustments continue as a result of electronic filing and the needs of filers. The Commission's continued goal of cross training Commission staff is essential. The Commission will continue to comply with statutory mandates.

### **4. Key Strategic Challenges**

Enforcement of the very complex Ethics Reform Act is one of the major challenges before the State Ethics Commission. Citizens' and state agencies' concern with public corruption and violations of the state's ethics laws have caused increased investigative and non-compliance caseloads. The Commission's mandate requires close analysis of critical issues of which the outcomes have significant impacts on the lives of the affected individuals, to include criminal prosecution. This mandate coupled with personnel and equipment needs, and limited funds, are major barriers to the fulfillment of the agency's mission and goals. The Commission must ensure that the latest technological advances are taken into account to balance the technology versus personnel scale.

### **5. How the accountability report is used to improve organizational performance?**

The accountability report provides staff an opportunity to review past performance over the course of several years' reports. Agency management uses the report to project resources needed to meet the increasing needs of the agency and its customer groups.

## ***SECTION II – ORGANIZATION PROFILE***

- The State Ethics Commission has no product and its main service is the enforcement of the Ethics Reform Act, to include regulating lobbyists and lobbyist's principals; ensuring filing of both the Statement of Economic Interests form and the Campaign Disclosure form and the compilation of that data; as well as ensuring compliance with the Rules of Conduct.

- The Commission's customer groups include public officials, public members, public employees, candidates and political committees, other state and local agencies, lobbyists and lobbyist's principals, the citizens of South Carolina, and the media. This group's key expectation is the timely disclosure of Campaign Disclosure forms, Statement of Economic Interests forms and lobbying information.

- The above entities are also the Commission's stakeholders groups in that they are interested in and affected by the Commission's actions and its success or failure.

- Beyond the computer support and services provided by the Division of State Information Technology (DSIT) and periodic private vendors, the Commission does not have key suppliers. All other services and supplies are obtained through the bid process. The Commission is in partnership with SC Interactive (SCI) to provide continued services for the electronic filing system.

- The Commission has only one location at 5000 Thurmond Mall, Suite 250, Columbia.

- The Commission has ten permanent employees (eight FTEs and two PTEs). The Executive Director is unclassified and all other employees are classified.

- The Commission regulates lobbying in the state; however, it has no other regulatory duties, nor is it governed by federal regulations.

- The certified law enforcement officers must maintain their certification through continuing education with the South Carolina Criminal Justice Academy.

- The Commission uses the accountability report to maintain an overall organizational focus on performance improvement. The report is used to evaluate both the number of forms being received each year, as well as the timeliness of auditing the forms and in the past making them available for review.

- The State Ethics Commission is composed of nine private citizens who are appointed by the Governor with the advice and consent of the General Assembly. One Commissioner resigned at the conclusion of her term and three commissioners are serving until their replacements are named. The Commission sets the policy; recommends legislative changes to the statute; issues formal advisory opinions; and conducts hearings into complaint matters. The Executive Director is responsible for directing the operational and administrative management of the agency and providing oversight to investigations, and other activities of an extremely sensitive nature. The Executive Director reports directly to the State Ethics Commission. All other employees report to supervisors or directly to the Executive Director. The Commission is in the business of processing information received by lobbyists/lobbyist's principals; public officials, public members and public employees; and candidates and political committees and ensuring compliance with the Ethics Reform Act.

**Accountability Report Appropriations/Expenditures Chart Example  
Base Budget Expenditures and Appropriations**

<i>Major Budget Categories</i>	<i>FY09-10 Actual Expenditures</i>		<i>FY10-11 Actual Expenditures</i>		<i>FY11-12 Appropriations Act</i>	
	<i>Total Funds</i>	<i>General Funds</i>	<i>Total Funds</i>	<i>General Funds</i>	<i>Total Funds</i>	<i>General Funds</i>
<i>Personal Service</i>	\$438,619	\$262,082	\$430,111	\$192,154	\$430,567	\$187,519
<i>Other Operating</i>	\$198,069		\$130,642	\$64,540	\$230,000	
<i>Special Items</i>						
<i>Permanent Improvements</i>						
<i>Case Services</i>						
<i>Distributions to Subdivisions</i>						
<i>Fringe Benefits</i>	\$153,503	\$102,104	\$110,451		\$114,524	\$70,064
<i>Non-recurring</i>						
<b>Total</b>	<b>\$790,191</b>	<b>\$364,186</b>	<b>\$671,204</b>	<b>\$256,694</b>	<b>\$775,091</b>	<b>\$257,583</b>

**Other Expenditures**

<i>Sources of Funds</i>	<i>FY09-10 Actual Expenditures</i>	<i>FY10-11 Actual Expenditures</i>
<i>Supplemental Bills</i>		
<i>Capital Reserve Funds</i>		
<i>Bonds</i>		

**Major Program Areas**

<b>Program Number and Title</b>	<b>Major Program Area Purpose (Brief)</b>	<b>FY 09-10 Budget Expenditures</b>	<b>F-10-11 Budget Expenditures</b>	<b>Key Cross References for Financial Results*</b>
01000000 Administration	<i>This program encompasses four distinct areas of responsibility of the Act: lobbying registration and disclosure; ethical rules of conduct; financial disclosure; and campaign practices and disclosure.</i>	<b>State:</b> 262,082.00 <b>Federal:</b> <b>Other:</b> 102,104.00 <b>Total:</b> 364,186.00  <b>% of Total Budget:</b> 100%	<b>State:</b> 256,694.00 <b>Federal:</b> <b>Other:</b> 414,509.00 <b>Total:</b> 671,203.00  <b>% of Total Budget:</b> 100%	Category 7.3

**Below: List any programs not included above and show the remainder of expenditures by source of funds.**

<b>Remainder of Expenditures:</b>	<b>State:</b> <b>Federal:</b> <b>Other:</b> <b>Total:</b>  <b>% of Total Budget:</b>	<b>State:</b> <b>Federal:</b> <b>Other:</b> <b>Total:</b>  <b>% of Total Budget:</b>
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\* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

## **SECTION III - ELEMENTS OF MALCOLM BALDRIGE AWARD CRITERIA**

### **Category I – Leadership, Governance & Social Responsibility**

The State Ethics Commission is a very small state agency with a staff of ten people (eight FTEs and two PTEs). No layers of managers, supervisors, or deputies exist between the Commission's senior leader, the Executive Director, and the Commission staff. The Executive Director speaks to each employee on a regular basis. Long term performance expectations and directions are communicated at annual staff reviews conducted each September. This one month review period allows the Executive Director to plan merit raises and revise employee responsibilities as needed. During annual reviews employee performance expectations are discussed and set. Organizational values are discussed with new hires after a new employee reviews the Commission's Administrative Policies and Procedure Manual. All employees are required to stay up to date on changes to the Commission's manual. As the state agency that enforces the Ethics Reform Act, both the Executive Director and staff model ethical behavior. Commission members recuse themselves and leave the room when even a potential, not actual, conflict exists. Policies and procedures are in place for the use of Commission equipment and supplies and subsequent reimbursement, i.e making personal copies or sending personal faxes.

Staff is well aware of who the Commission's customers are, as each employee interacts with customers everyday, whether on the phone or in person. The Commission's customers include the citizens of South Carolina, public officials, public members, public employees, candidates for public office, committees, lobbyists and lobbyist's principals, all state agency heads, the Governor's Office, and the media. Interaction between staff and the public has been intense since the launch of the electronic filing system in October 2007. Since the passage of H3066 in May 2010, telephone interaction has exploded as filers called for assistance as they maneuvered through the electronic

filing system for the first time. Five staff members are able to walk filers through the entire process of registering all required disclosure. The public reporting component has also required much interaction in helping the public find electronic reports. Staff is courteous and knowledgeable in responding to the Commission's customers. Staff, to include the Executive Director, has an open-door policy for walk-in customers and has dedicated a computer to assist those walk-ins.

The Commission does not normally address the current and potential impact of the Ethics Reform Act on the public, since the Commission is mandated to enforce the Act as written. Services are provided within the confines of the Act. If the General Assembly amends the Act, then the Commission must enforce it notwithstanding the impact, either negative or positive. The Commission must submit fiscal impact statements with proposed amendments.

The Executive Director is the Commission's chief financial officer and chief procurement officer and thus has sole oversight of fiscal matters. The General Counsel reports directly to the Executive Director and all legal matters regarding the representation of the Commission are discussed with the Executive Director. The size of the agency provides no isolation of the Executive Director from day-to-day activities of the Commission.

The Executive Director receives and reviews a monthly compliance report which is a compilation of key performance measures which include the number of forms received both by paper and electronically; the number of complaints received; the number of complaints resolved; the number of both formal and informal opinions issued; and the amount of money received, to include late-filing penalties, complaint fines, administrative fees and lobbyist's/lobbyists' principals registration fees. This same information from the previous fiscal year is also provided on the compliance report for comparison. This report is presented to the Commission at each scheduled meeting.

In an effort to ensure that the Deputy Director is aware of all aspects of the agency's operations, the Executive Director and the Deputy Director work closely on a daily basis, and discuss all phases of agency operations as they occur. The Executive Director and Deputy Director have participated in and graduated from the Budget and Control Boards Executive Institute. Mid-level supervisory personnel are encouraged to participate in operational meetings in order to gain knowledge in areas other than their own. The Executive Director and the Deputy Director encourage mid-level supervisory personnel to attend leadership training such as the Certified Public Manager's (CPM) course, Human Resource management courses and other leadership classes which may be appropriate.

Staff is encouraged to participate in community service projects. The Commission had approximately 90% participation in the United Way campaign and the Good Health Appeal. Various members of staff also participated in Buck-A-Cup, Midlands CROP Walk, Meals on Wheels and regular blood and platelet donations to the American Red Cross. In addition, many staff members are actively involved in their churches and their church's community outreach programs.

## *Category 2 - Strategic Planning*

The Executive Director, with staff input and some input from Commission members, is the sole participant in the strategic planning process. Staff input is welcomed and the Executive Director formulates the strategic plan after reviewing input and process results from the previous year. The Commission is forced to conform any strategic planning to its small budget and its small staff which in many ways is both its strength and its weakness. Without layers and layers of personnel, staff can move quickly to implement new ideas without waiting for multiple approvals and reviews. New technology is both a strength and weakness due to the costs. The Commission was fortunate to work with SCI on the electronic filing system at little expense to the Commission. It was a slow, deliberative process, which has provided a state of the art system to the Commission's filers. The Commission continually cross trains staff to include the duties of the Executive Director. The Commission's web-site continues to be the first source of information for the public and its content is regularly added to and updated. It is from the web-site that filers access the electronic filing system for all forms and the public access the public reporting component of electronic filing.

The Commission continues to work with SCI on the continued up-dating of the electronic filing system for all filers. Tweaks are made on a monthly basis. The cross training continues which requires significant amounts of staff time but not of other resources.

In presenting the Commission's budget to the General Assembly, the Commission was unable to deploy its key strategic goal for housekeeping changes to the Act to reflect mandatory electronic filing system. As for the second key strategic goal of cross training employees, staff meetings and one-on-one meetings between the Executive Director and staff are the means used to communicate and deploy that strategic goal.

Strategic planning is limited by the Commission's budget and the Ethics Reform Act. All of

the Commission's responsibilities are legislatively mandated; therefore, any plan changes from year-to-year are the result of legislative amendments to the statute. Absent a legislative change, the Commission's plans do not change.

The Commission's previous accountability reports can be found on the Commission's web page, <http://ethics.sc.gov>. The report includes the Commission's strategic objectives, action plans and performance measures.

## **Strategic Planning**

<b>Program Number and Title</b>	<b>Supported Agency Strategic Planning Goal/Objective</b>	<b>Related FY 10-11 Key Agency Action Plan/Initiative(s)</b>	<b>Key Cross References for Performance Measures*</b>
<p>01000000 Administrative</p>	<p>The most important strategic goal, now that the electronic filing system is fully implemented and mandated, is to have legislation introduced to amend various sections of the Ethics Reform Act to reflect an electronic filing system.</p>	<p>In October 2007 the electronic filing system went live for campaigns and Statements of Economic Interests. In January 2009 the final lobbying component of the electronic filing system went live. Legislation to mandate all filers use the electronic filing system was introduced in 2009 and passed in 2010. Staff will seek a sponsor of legislation to make the appropriate amendments to the statute.</p>	<p>Chart 7.3-1</p>

*Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.*

### *Category 3 - Customer Focus*

Key customers and stakeholders of the State Ethics Commission are complainants and respondents; filers of forms; reviewers of forms; public officials, public members and public employees; candidates and committees; lobbyists and lobbyist's principals; the citizens of South Carolina; training participants; and opinion requesters. The largest percentage of the Commission's customers is determined by the Ethics Reform Act and it is the Act that determines each customer's requirements.

The Commission is constrained in keeping its listening and learning methods current with changing customer needs and expectations by two major factors: the Ethics Reform Act itself and the Commission's budget. Clearly the trend in disclosure, is the electronic format, which is the preferred format for making this information available to the public. Now that all filers must use the electronic filing system, information is available to the public in real time. With an open door policy Commission staff has historically aided our key customers face-to-face. That is no longer the case. The telephone is now the primary source of contact. E-mail is the secondary source of contact with face-to-face contact coming a distant third. We explain and demonstrate the electronic filing system with first-time filers.

Due to budget constraints only two key customer groups were regularly surveyed in FY2011: training participants and citizens coming to the Commission's office to review documents. When the Commission conducts its standard training, a training survey is provided to the participants to complete. In other training situations, staff is part of a program wherein survey results are compiled at the conclusion of the entire program and staff is notified of the results at a later date. A review of the Commission's training survey results found that approximately 97% of responders found the training to be good or excellent; however, 3% found it to be poor and unresponsive to their

expectations. Citizens who come to the office and who are inclined to complete a survey are unanimous in their satisfaction. By statute, our top two key customers are filers of forms and parties to complaints. Staff has not yet developed either a cost effective or reliable surveying technique for either group. Although the final electronic filing system is operational a survey component is still being examined for filers. Anecdotally, most filers appreciate the electronic filing system once they become familiar with it. A small handful continues to dislike it immensely. Technological change is difficult for some people.

The Commission has customers and stakeholders with conflicting agendas. Much of the Commission's work remains confidential during complaint proceedings at least prior to a finding of probable cause. Complaint hearings remain confidential.

#### ***Category 4 –Measurement, Analysis and Knowledge Management***

It continues to be the Commission's belief that what gets measured is what gets done in an organization. Every year the Commission measures the number of forms received; the number of complaints received; the number of complaints resolved; the number of both formal and informal opinions issued; the number of trainings and participants; and the amount of money received, to include late-filing penalties, complaint fines, administrative fees and lobbyists'/lobbyist's principals' registration fees. The Commission's key measures are the comparisons between numerous years of compiling data of the number of various forms filed. The Commission compares the current year's numbers with past years, as well as comparing it with data from other similarly situated agencies. The Commission relies on staff members whose duties include the compilation of this information. The Commission uses the analysis of this data to assist in developing the strategic plan in the employee reviews each year. The Commission attempts to find other public agencies with comparable duties and mandates. As a result of the Commission's membership with COGEL (the

Council on Governmental Ethics Laws), the Commission has found only one other state agency with similar areas of responsibility regarding state government: lobbying registration and disclosure; ethical rules of conduct; financial disclosure; and campaign practices and disclosure. The Commission also found a city agency with the same responsibilities and the analysis for both Kansas and Chicago appears in Category 7 Results. The compliance reports which are compiled monthly are maintained indefinitely, in that they become a part of the record of each Commission meeting. Meeting minutes with attachments dating back to the inception of the Commission in 1976 are archived and could be recovered if required. Cross training and reducing to writing the duties of each staff member are the means by which the Commission collects and maintains organization and employee knowledge. The Commission's small size lends itself to the identification and sharing of best practices among staff.

#### ***Category 5 – Workforce Focus***

As noted before, the State Ethics Commission is a small state agency. The Executive Director speaks regularly to each employee. No performance raises were given in FY2011. Due to a termination, duties were re-distributed among the remaining employees with subsequent salary increases for increase in duties. The Commission continues to provide many non-financial rewards such as flexible scheduling; casual dress day on Friday for nine months of the year and during the summer months throughout the week; recognition of significant employment milestones; birthday celebrations; holiday meals together; lunch for staff in observance of Employee Recognition Week; and training.

Training was curtailed due to the worsening budget situation. The Executive Director and the investigators are certified law enforcement officers and they must participate in regular training sessions to maintain their certification. The Criminal Justice Academy provides this training at no

charge to state agencies. General Counsel participates in a minimum of 14 hours of continuing legal education training each year. Staff has participated in the Certified Public Manager's course, Human Resource management courses and various computer classes. Before participating in training staff attempts to ensure that the training is applicable to the position of the staff member seeking training which ensures that the knowledge and skills gained in training are used.

The Employee Performance Management System provides an opportunity for the Executive Director and the employee to make changes to employee responsibilities in line with ongoing strategic goals and to revise position descriptions to accurately reflect actual duties. The process encourages high performance by realigning the position description and evaluation documents with the actual job responsibility.

The Commission, due to size, does not have a formal assessment method to obtain information on employee well-being and satisfaction. Cross training has ensured that internal promotions are smooth. The Commission does informally monitor employee well being and satisfaction through two key measures: staff longevity and turnover. Three quarters of the staff has been with the Commission between ten to twenty-five years. An employee was terminated in FY2011, but no grievance was filed. That employee's duties were spread among other employees and the position remains vacant.

The Commission's offices are located in a modern, private non-smoking office building. Adequate parking and lighting are provided. Staff members are encouraged to participate in the State's Preventive Partners programs, and to avail themselves of a gym located in the office complex. The agency's policies manual contains procedures to follow in the event of fire, tornado, and bomb threat. The agency's telephones are programmed for one touch dialing to 911. The agency's law enforcement personnel participate in all available terrorism training through SLED

and the Criminal Justice Academy.

### ***Category 6 - Process Management***

The Commission's core competency is the receipt of data, the organization of that data and the public reporting of that data. Technology has changed every aspect of that process. The Commission's key design and delivery processes must fit within the confines of the Commission's budget. Within these confines, the newest technology used by the Commission has been in previous years its web-site, but with the implementation of the final phase of the electronic filing system the Commission has embraced 21<sup>st</sup> century technology. Mandatory electronic filing means all Commission filers must use the electronic filing system for all forms, with no exceptions. A tremendous amount of staff time continues to be expended on the telephone explaining the electronic filing process and walking filers through the complete process.

The Commission's web-site includes all formal advisory opinions and a list of complaints resolved. Additionally, minutes from the Commission's bi-monthly meetings are also available online. These efforts are directed at making the Commission's web site more user-friendly; more responsive to the public's needs; and more cost effective to the Commission, i.e. reduction in printing and postage costs. Finally, the Commission's web-site provides the link to the electronic filing system available to all filers, as well as the public reporting link that provides instantaneous access to all forms filed electronically

The Commission's various measurements are not done on a day-to-day basis, but rather week-to-week and month-to-month based on the particular deadline. The Commission has a minimum of seven deadlines throughout the year with more during an election year. Paper forms dating to October 2007 have been filed by staff, so the requests for documents have plummeted. We look forward to the day when no forms sit in a filing cabinet.

The Commission is in the business of managing the information provided in the various forms received, as well as the enforcement of the Ethics Reform Act. The Commission reviews bi-monthly the number of forms received in comparison to the previous year's filing period and the speed and thoroughness of auditing. The first year of mandatory electronic filing of the Statement of Economic Interests form by April 15, 2011 resulted in the largest volume of telephone calls for a 30 day period in the Commission's history.

The Executive Director meets with senior staff throughout the fiscal year to determine the adequacy of the present budget and what the future needs may be. This includes reviewing the status of the computer systems. Investigative costs are difficult to predict with any certainty. Non-compliance matters are quickly dealt with; however, complaints alleging violations of the Rules of Conduct or in-depth investigative audits of alleged campaign finance violations can require extensive investigative hours. FY 2011 investigations included *Watson v. K. Ard*, which took hundreds of investigative hours. The Commission's investigators coordinate many investigations with SLED, the State Grand Jury and the FBI. Reports resulting from criminal investigations are referred to the Attorney General's office or the appropriate circuit solicitor.

### ***Category 7 - Results***

#### ***(1) Lobbyist Registration and Disclosure***

The State Ethics Commission utilizes registration fees obtained from lobbyists and lobbyists' principals to administer this requirement. In FY2011, the State Ethics Commission received \$157,300.00 from these registration fees. This was an increase of \$13,000 from the previous year and marks an up-tick in fees, but it remains below the pre-recession registrations in FY2008.

Any person employed or retained to lobby for any person, group or business must register with the Commission within fifteen days after being employed or retained. Further, the person,

group, or business which employs or retains a lobbyist must register within fifteen days after such employment or retention. Registered lobbyists and lobbyist's principals are subject to strict restrictions on their activities while they are registered. Both the lobbyists and lobbyist's principals must file disclosures of income and expenditures by June 30<sup>th</sup> for the period January 1<sup>st</sup> through May 31<sup>st</sup> , and by January 31<sup>st</sup> for the period June 1<sup>st</sup> thru December 31<sup>st</sup>. Registrations and disclosures are available for public inspection on the Commission's web-site. Registrations and disclosures totaled 4306 in FY2011, a decrease over FY2010. Many lobbyists and principals terminated their registrations in May 2010, so no second period disclosure was required.

### ***(2) Ethical Rules of Conduct***

The Ethics Reform Act provides certain standards for public officials and public employees, centered around prohibitions against the use of the public position to affect the officeholder's or employee's economic interests, those of immediate family members, or businesses or individuals with whom the person is associated. These standards prohibit the misuse of public resources and confidential information, nepotism, revolving door contracts, receipt of compensation to influence official actions, and representation restrictions. Penalties for violations of the Act range from administrative penalties, including public reprimands and civil fines of up to \$2000 per violation, to criminal penalties ranging from \$5000 and one year in prison to \$10,000 and ten years in prison.

### ***(3) Financial Disclosure***

Certain public officeholders, to include all public officials, either elected or appointed; candidates; public members of state boards; chief administrative officials or employees; chief procurement officials or employees; and chief finance officials or employees must file a Statement of Economic Interests forms at specified times to include an annual update by April 15<sup>th</sup>. In FY2011, approximately 7971 Statement of Economic Interests forms were filed. This is a

significant decrease over last year and is directly related to it being an off-election year. Staff stressed in training and correspondence with municipalities, counties, school districts and other public entities those individuals required to annually file Statement of Economic Interests forms. Notice of filing requirements of annual SEIs was made by e-mail. Staff will continue to provide written yearly notice to the various governmental entities, but for individual filers e-mail will be the notice format, thus saving significant Commission resources.

***(4) Campaign Practices and Disclosure***

Candidates and committees are required to file disclosure of their campaign finance activities. They are subject to contribution limitations, restricted use of campaign funds, and proper accountability. In FY2011 approximately 6097 campaign disclosure forms were received and audited when flagged by the system.

To follow is a review of ten years of Commission activity.

**LEVELS OF PERFORMANCE-FY2002 TO FY2011**

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
<b>COMPLAINTS</b>										
Filed	124	138	111	136	136	125	133	139	140	100
Final Disposition	136	92	110	112	152	116	111	119	154	86
On Hand	27	73	44	58	22	33	35	44	43	54
<b>ADVISORY OPINIONS</b>										
Formal	12	6	3	3	4	9	8	5	3	4
Informal	121	54	68	73	64	65	54	45	165*	385
<b>FORMS</b>										
Statement of Economic Interests	8,410	8,970	9104	8776	9402	9430	9182	7368	9059	7971
Campaign Disclosure Form	3,963	4,658	4873	5158	6499	5030	5563	6319	5702	6097
Lobbyist/ Lobbyist's Principal Registration & Reports	4,349	4,527	4445	3542	4984	4803	5525	4746	4643	4306
<b>TRAINING SESSIONS</b>										
Conducted	17	20	19	16	30	28	28	29	35	28
Participants	954	961	530	1724	1276**	1640**	1294**	979**	1073**	1,454

\*Staff began counting informal opinions requested by e-mail in May 2010. Written requests have decreased significantly, while e-mail requests have skyrocketed.

\*\*The number of participants for FY2011 reflected in the chart represents those individuals actually present during training programs. The number does not represent the hundreds of newly appointed county and city planning officials and newly hired employees who continue to receive the ethics training from programs taped in FY2006.

**Performance levels and trends for the key measures of customer satisfaction and dissatisfaction:**

Training is essential to the four million residents of the State where approximately 230,000 citizens are engaged in government employment and approximately 10,000 are engaged in government service. As part of its public mission, the Commission feels that it is vital to educate

public officials, public members, public employees and the general public regarding the standards of conduct and disclosure requirements of the Ethics Reform Act. Whenever possible, as personnel and resources are available, staff conducts training for its various customers throughout the state. Customers receiving training in FY 2011 included elected officials, public employees of both cities, counties and the state, candidates and attorneys.

Hand-in-hand with training is the advisory nature of the Commission's responsibility. The Commission advises its customers concerning the intricacies of the law through both informal and formal opinions. Staff answers approximately 500 telephone inquiries per month. The Commission's policy of issuing informal opinions provides more timely advice to its customers. This advice is based on prior opinions, decisions, and staff experience and interpretation of the statute. The Commission has established the objective of responding to all informal advisory opinions within seven calendar days. This target is met approximately 99% of the time and when it cannot be met the requestor is informed of the delay and when to anticipate his opinion. Formal opinions are handled as expeditiously as possible at regularly scheduled Commission meetings. The advice given, either written or verbal, provides information to the various customers of the Commission.

The Commission continues with two part-time investigators in order to continue its commitment to the timely investigation of alleged violations of the Ethics Reform Act, which is a key component of the Act and where the Commission's involuntary customers appear. A due process procedure is established in the statute and staff has worked to reduce the completion time from the receipt of a complaint to final disposition. Non-compliance matters, from issuance of complaint to final disposition, take approximately four months. Other complaints' completion times were approximately six months, but can be as long as nine to twelve months in duration.

Of the 86 complaints resolved in FY2011, approximately thirteen complaints were resolved by consent orders. Thirty-one hearings were held. Fines and administrative fees of \$4,435.00 were collected. Fourteen complaints were dismissed at the fact sufficient stage and 18 were dismissed for lack of probable cause. The remaining ten complaints were either waived due to compliance or extenuating circumstances or withdrawn by the complainant or the Commission. In addition, the Commission collected \$84,983.45 in late filing penalties for failing to timely file Statement of Economic Interests forms, Campaign Disclosure forms, and lobbyist and lobbyist's principal reports. The Department of Revenue's Set-off Debt program collected an additional \$1,892.00 in late filing penalties. The Department of Revenue's GEAR program collected an additional \$29,191.47 in late filing penalties through the garnishment of wages. The Commission continues to emphasize the timely enforcement of disclosure deadlines.

## LEVELS OF PERFORMANCE

The report shows the current level of performance in the four key areas. They include:

	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005	Increase (Decrease )
<b>Complaints</b>								
Received	100	140	139	133	125	136	136	(40)
Final Disposition	86	154	119	111	116	152	112	(68)
Pending	54	43	44	35	33	22	58	9
<b>Forms</b>								
Statement of Economic Interests form	7971	9059	7368	9182	9430	9402	8776	(1088)
Campaign Disclosure form	6097	5702	6319	5563	5030	6499	5158	1205
Lobbyist/Lobbyist's Principals' Registration & Reports	4306	4643	4746	5255	4803	4984	4243	337)
<b>Opinions</b>								
Formal	4	3	5	8	9	4	3	1
Informal	385	165	45	54	65	64	73	220
<b>Training</b>								
Training Sessions	28	35	29	28	28	30	16	(7)
# Trained	1454	1073	979	1294	1640	1276	1724	381

By and large the changes from one year to the next are minimal and those significant percentage changes reflect activity over which the Commission has minimal control. Training is contingent on requests. In FY2011 training sessions remained high. Formal advisory opinions increased by one. Staff continued to reduce the response time in the issuance of informal advisory opinions and to publicize the availability of formal opinions on its website. All formal advisory opinions are on the Commission's web-site which has led to an overall decrease in the number of formal opinions in the last several years. The informal opinion number has more than doubled, which is a result of including e-mail requests for informal opinions.

The City of Chicago Board of Ethic's key responsibilities mirror the four distinct responsibilities of the Commission: lobbying registration and disclosure; ethical rules of conduct; financial disclosure; and campaign practices and disclosure. The Board of Ethics in providing advice responds to inquiries (verbal responses) and cases (written responses). The Board of Ethics

handled more than 5,400 inquiries in FY2010 and 69 cases. The Board of Ethics' staff is seven FTEs. Its budget is significantly larger at approximately \$562,814.00, although it is a nearly \$55,000 decrease from the previous year.

Complaint matters relating to disclosure have remained the largest percentage of complaints. The Commission received 100 complaints, of which 43 were related to disclosure, and resolved 86 complaints, of which 35 were related to disclosure. The Commission continues to meet its goal of timely prosecuting non-compliance matters to avoid a backlog.

Our compliance rate continues to be approximately 96% after the initial notice of no filing. Late-filers have been penalized administratively. The Kansas Governmental Ethics Commission enforces the Campaign Finance Act and State Governmental Ethics Law primarily on the state level to include House, Senate and Judicial officials and to a very limited extent on the local level. In FY2010, the Kansas Governmental Ethics Commission received 1170 campaign finance forms in an election year and 9519 financial disclosure forms. Lobbyists file in Kansas, but their principals do not. Five hundred twenty lobbyists registered in FY2010, but like South Carolina, Kansas lobbyists register for many different principals. Kansas received 1495 registrations in FY2010. Lobbyists are required to file an expenditure report six times a year if they have expended in excess of \$100 during the reporting period, which explains its receipt of 4826 lobbyists' reports. Kansas experienced a decrease in the number of lobbyist and the Commission experienced an increase.

**Performance levels and trends of financial performance:**

Since September, 2000, the Commission has ceased printing forms. Forms were downloaded from the web site. As a result of H3066 only three forms remain on the web-site: the complaint form, a candidate's roster for election officials and a successful candidates list for elections officials. This results in a savings of materials, equipment use, personnel time and postage. Additionally,

minutes from the Commission's bi-monthly meetings are also available online. These efforts are directed at making the Commission's web site more user-friendly, more responsive to the public's needs and more cost effective to the Commission. The electronic filing system has decreased the use of staff time for responding to requests for documents, as well as, exponential savings on printer wear and tear and paper usage.

**Performance levels and trends for the key measures of workforce engagements, etc.:**

The Employee Performance Management System provides an opportunity for the Executive Director and the employee to make changes to employee responsibilities in line with ongoing strategic goals and to revise position descriptions to accurately reflect actual duties. The process encourages high performance by realigning the position description and evaluation documents with the actual job responsibility.

**Performance levels and trends for the key measures of organizational effectiveness/operational efficiency and work system performance:**

The Commission's launch of the electronic filing system has completely changed the nature of this organization's receipt of data and we have been in flux ever since. For the first time in ten years of maintaining this data, all forms received, either electronically or on paper, were audited and filed electronically. The timeliness of electronically filing the paper reports allows the public easier, quicker and less expensive access to data of interest to them.

**Performance levels and trends for the key measure of regulatory/legal compliance and community support:**

The Commission has no regulatory/legal compliance with which to comply, so no key measures are collected.

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