

State of South Carolina
State Ethics Commission

COMMISSIONERS

JAMES I. WARREN, III, 4th DISTRICT
CHAIR
SHERRI A. LYDON, MEMBER AT LARGE,
VICE CHAIR
THOMAS M. GALARDI, 2nd DISTRICT
FRANCIS E. GRIMBALL, 1st DISTRICT



COMMISSIONERS

SANDY TEMPLETON, 3rd DISTRICT
TWANA BURRIS-ALCIDE, 5th DISTRICT
REGINA HOLLINS LEWIS, 6th DISTRICT
JULIE J. MOOSE, 7th DISTRICT
BRIAN M. BARNWELL, MEMBER AT LARGE

5000 THURMOND MALL, SUITE 250
COLUMBIA, S.C. 29201

STEVEN W. HAMM
INTERIM EXECUTIVE DIRECTOR

MINUTES
COMMISSION MEETING
OPEN SESSION

March 15, 2017

RECEIVED
2017 APR -3 PM 3:17
STATE ETHICS
COMMISSION

The meeting was called to order by Chairman James I. Warren, III, at 9:41 a.m. Other members present were Vice Chair Sherri A. Lydon, Francis E. Grimball, Julie J. Moose, Sandy Templeton, Thomas M. Galardi, Regina Hollins Lewis, Brian M. Barnwell, and Twana Burris-Alcide.

The news media was duly notified.

Staff present: Steven W. Hamm, Ami R. Franklin, James T. Bagnall, Michael R. Burchstead, Kristin S. Nabors, Rynne G. Caldwell, Frank Schumpert, Kevin Hinson, and Karen A. Wiggins.

Others present: Matthew J. Myers, Esquire, and Shedron D. Williams.

Chairman Warren welcomed everyone and noted that there was an Amended Open Session Agenda in the yellow folder.

POINT OF ORDER

Chairman Warren recognized and welcomed the new Interim Director, Steven W. Hamm. Mr. Hamm thanked the commissioners, gave a brief history of his government and legal career, and gave a status report on issues he is working on with staff, the commissioners, and members of the Legislature.

MINUTES

Chairman Warren called for approval of the Minutes. A motion was made by Mr. Grimball, seconded by Mrs. Moose, to accept the Minutes as approved. Chairman Warren asked for any discussion or opposition. There being none, the motion carried with no opposition to approve the Open

Session Minutes and the Executive Session Minutes from the January 18, 2017 and February 21, 2017 Commission meetings. Absent from the January 18, 2017 Commission meeting and not voting were Vice Chair Sherri A. Lydon and Twana Burris-Alcide. Absent from the February 21, 2017 Commission meeting and not voting was Regina Lewis.

OFFICE OPERATIONS

Budget 2016/2017 and Compliance Reports

Chairman Warren called for the Office Operations reports. Interim Director Steve Hamm presented the Budget reports for the Fiscal Year 2017. Discussion ensued concerning the new requirement to move to a new facility, cost for renovating a new facility, and additional staff needed to address the major changes affecting the new Commission effective April 1, 2017. Mr. Hamm commended Mrs. Franklin and staff on the conservative budget spending, the professional level which staff handles the 24,000-plus filers, as well as responding to the many advisory opinions and investigations staff receives. Discussion ensued concerning the need for additional personnel and an increase in the current budget. The Budget and Compliance reports were accepted as presented.

POINT OF ORDER

Chairman Warren asked to take the Agenda out of order at this time, stating that Mr. Burchstead requested to take up the motion of Stewart H. Rodman because the attorney was present. There was no opposition.

MOTION TO DISMISS

C2016-098 State Ethics Commission vs. Stewart H. Rodman

Chairman Warren called this matter and directed everyone to additional material found in the yellow folder. Statements of Recusals were submitted by Vice Chair Lydon and Mr. Hamm. Attorney Matthew J. Myers gave an opening statement on behalf of the Respondent who was not present. Discussion ensued concerning allegations of using confidential information for personal gain. Mr. Burchstead gave a history of events, noting the timeframe for learning then acting on confidential information. Discussion ensued concerning the timeline of events, and then Respondent's abandonment of any action. Mr. Myers closed, stating that Respondent wants to move on, that no further action was taken, and to dismiss this matter. Chairman Warren thanked Mr. Myers for coming, and stated that this matter would be taken under advisement, and the Commission would get back to him and the Respondent with their decision. Mr. Burchstead stated that there was sufficient evidence to move forward with a hearing.

Later, after return from Executive Session, Chairman Warren stated that no action was taken on deliberations and there was a review of the facts in this matter. Chairman Warren then opened this matter for discussion or a motion. Mr. Grimball made a motion, seconded by Mrs. Lewis, to deny the motion to dismiss, but that the Commission treat the motion as a motion to reconsider the probable cause finding and adopt the staff recommendation that probable cause exists to support the charge of one count of violating Section 8-13-700(A) for the Respondent using his position as a Beaufort County Council

member to obtain an economic interest for a business with which he is associated, and a violation of Section 8-13-725 for Respondent using confidential information being in the course of his official responsibilities as a member of Beaufort County Council, but waive any further proceedings because Respondent has abandoned his efforts to proceed with using any of the information that Respondent allegedly obtained, and ceased any activities to obtain an economic interest based on any alleged information he obtained. Chairman Warren asked for further discussion, clarification, or opposition. Mr. Burchstead asked if the waiver for further proceedings was for both violations. Mr. Grimball said yes. Discussion ensued concerning there being no precedential value and facts were not sufficient in this matter. There being no further discussion, clarification, or opposition, the motion carried with an 8 - 0 vote. Vice Chair Lydon not voting.

Chairman Warren asked to take a break at this time. All agreed.

MOTION TO APPEAL

C2015-092 & C2016-072 State Ethics Commission vs. Shedron D. Williams

Chairman Warren presented this matter. Statements of Recusals were submitted by Vice Chair Lydon, Mr. Grimball, and Mr. Galardi. Mr. Burchstead gave an opening statement concerning Respondent's request for an extension to make his payments, and noted that staff had no opposition to this request. Respondent gave a statement, noting that he had no new facts, but addressed his pressing family and financial matters and his recent new employment. Discussion ensued concerning a longer payment plan and the filing of the appeal to stay the matter. Chairman Warren asked for further discussion. There being none, Mr. Barnwell made a motion, seconded by Mrs. Lewis, to grant the request to allow Respondent to make payments on his \$3,000 reduced fine over the course of one year at \$250.00 a month payable the first day of each month starting April, 2017. Chairman Warren asked for further discussion or opposition. There being none, the motion carried with a 6 - 0 vote. Vice Chair Lydon, Mr. Grimball, and Mr. Galardi not voting.

ADVISORY OPINIONS

Duke Energy Carolinas, LLC

Chairman Warren called this matter. Mr. Burchstead directed everyone to their yellow folder for additional material, gave a history on Duke Energy's request for clarification on registering to lobby for only specific government entities, and presented his draft opinion which now incorporated the Commission's input from the January meeting. Discussion ensued concerning the intent and interpretation of Sections 2-17-90, 2-17-10, and 2-17-20. Mr. Hamm asked to be on record requesting the Commission's clarification as to whether there was any abandonment on any "gift" or other restrictions for a lobbyist's principal when registering to lobby only one specific government entity. Further discussion ensued that not only the minutes of this meeting, but that the advisory opinion needs to expressly state that the Commission's jurisdiction in this opinion does not abandon any lobbyist's principal's gift or other statutory restrictions when registering to lobby one specific government entity. Chairman Warren asked for further discussion. There being none, Mrs. Moose made a motion, seconded by Mrs. Lewis, to adopt the drafted opinion, but have Mr. Hamm and Mr. Burchstead add the wording about non-abandonment of gift and other restrictions and send it to the commissioners for their approval before March 30. All agreed.

Department of Insurance request related to public official owning a bail bonding company
Chairman Warren called this matter. Mr. Burchstead directed everyone to their yellow folder for additional material, and gave a history on a request for clarification of Section 8-13-740(5) which impacts a municipal public official who owns a bail bonding business that conducts business in the court system for that municipality. Discussion ensued concerning individuals associated with a business, Rule to Show Cause matters, status of the public official and their connection to the government entity they might appear before, and the need to discourage creative construction of business entities to avoid the ethics laws. Chairman Warren asked for further discussion. There being none, Mr. Grimbball made a motion, seconded by Mr. Galardi, to approve the March 15, 2017, advisory opinion in this matter. The motion carried with an 8 - 0 vote. Mr. Barnwell abstained.

POINT OF ORDER

Chairman Warren asked to take the Agenda out of order at this time, stating that Mr. Burchstead requested to take up the motion of Charles E. Houston, Jr. There was no opposition.

MOTION TO APPEAL

C2014-056 State Ethics Commission vs. Charles E. Houston, Jr.

Chairman Warren presented this matter. Statements of Recusals were submitted by Mrs. Moose, Mrs. Burris-Alcide, and Mr. Templeton. Mr. Burchstead gave an opening statement concerning Respondent's written request for an appeal, and noted that Respondent was not present. Mr. Grimbball and Mrs. Lewis asked if the Respondent had been properly informed and was aware of today's proceedings. Discussion ensued to take a break and try to contact Mr. Houston. All agreed to hold this matter in abeyance.

Later, after return from Executive Session, Chairman Warren stated that Respondent did not appear today, and no action was taken on deliberations and review of any facts in this matter. Chairman Warren then opened this matter for discussion or a motion. Mr. Burchstead stated that staff needed to do another appeal, that staff could not state with certainty that Respondent had been notified. Chairman Warren stated that the Commission would defer and take no action at this time.

REQUEST FOR MORE TIME ON ORDER

C2016-100 State Ethics Commission vs. Kenneth Shane Stuart

Chairman Warren presented this matter. A Statement of Recusal was submitted by Mr. Hamm, and he left the room. Mr. Burchstead gave an opening statement concerning Respondent's request for an extension to make payments on his order, and noted that the Respondent was not present, and staff had no objections to this request. Discussion ensued concerning breakdown of extension of payments. Chairman Warren asked for further discussion. There being none, Mr. Grimbball made a motion, seconded by Mrs. Lewis, to allow Respondent to make his remaining payments as required by the order of September 21, 2016, until September 30, 2017, but with a requirement that he make a minimum payment every month of \$100 per month, or he has to pay it all back September 30, 2017, with a deadline for Respondent to enter into this amended consent order being Friday, April 14, 2017. Chairman Warren asked for further discussion or opposition. There being none, the motion carried with a 9 - 0 vote.

NEW BUSINESS

Recognition of Commissioners

Mr. Hamm gave an update on the new Commission to be in effect April 1, 2017. Mr. Hamm also presented appreciation plaques from the staff to each of the commissioners for their great service to the Commission. Discussion ensued concerning any commissioner's intent to seek re-appointment to the Commission.

EXECUTIVE SESSION

Chairman Warren asked for a motion to go into Executive Session for the purpose of hearing probable cause matters and an advisory opinion. A motion was made by Mr. Grimball, seconded by Mrs. Moose, to go into Executive Session. There being no discussion or opposition, the motion carried with a 9 - 0 vote.

RETURN FROM EXECUTIVE SESSION

Upon return from Executive Session, a motion was made by Mrs. Lewis, seconded by Mrs. Moose, to adopt and ratify actions taken in Executive Session. Chairman Warren reminded everyone that if they recused themselves on a matter in Executive Session, they were still recused on that matter with this vote. The motion carried with a 9 - 0 vote.

POINT OF ORDER

Chairman Warren and all the commissioners thanked the staff and gave great comments on what a pleasure it was to work with everyone. Mr. Hamm concluded by giving staff and the commissioners a word of praise. Mr. Hamm also advised that he was going to take all possible steps to protect the image and jurisdiction of the new State Ethics Commission.

ADJOURNMENT

Chairman Warren asked for any further discussion. There being no further business, Mr. Grimball made a motion, seconded by Mrs. Lewis, to adjourn at 1:30 p.m. The motion carried with a 9 - 0 vote.

Respectfully Submitted and Approved (Date: 3/29/2017)


James I. Warren, III, Chair


Karen A. Wiggins, Administrative Specialist