

<b>AGENCY NAME:</b>	<b>SC STATE ETHICS COMMISSION</b>		
<b>AGENCY CODE:</b>	<b>R520</b>	<b>SECTION:</b>	<b>110</b>

**Fiscal Year 2017-18  
Accountability Report**

**SUBMISSION FORM**

<b>AGENCY MISSION</b>	The State Ethics Commission is the agency of state government responsible for the enforcement of the Ethics Reform Act of 1991 and all other subsequent ethics legislation adopted by the General Assembly. Our mission is to work diligently to develop and enhance public trust in all levels of government. The Commission's legislative mandate is to monitor and take appropriate action to ensure compliance with state law that requires financial disclosure, lobbyist/lobbyist's principal disclosure and campaign disclosure; administrate and regulate lobbyist and lobbying organizations; issue advisory opinions explaining and interpreting ethics legislation; assist and advise public officeholders and the public on the specific requirements addressed in the state's ethics laws; conduct both civil and criminal investigations of alleged violations of laws subject to the jurisdiction of the state Ethics Commission; and prosecute violators through formal administrative proceedings as well appropriate use of criminal enforcement actions.
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<b>AGENCY VISION</b>	The State Ethics Commission seeks to enhance public trust in the integrity of state government. As such, the Commission must fairly and impartially enforce the Ethics Reform Act of 1991. In addition to enforcement, the Commission seeks to reduce the number of individuals who run afoul of the Ethics Reform Act by offering extensive trainings to public officials, members and employees throughout the state. Essential to training is the issuance of Advisory Opinions which offer guidance and analysis to persons subject to the Ethics. South Carolinians have a right to be fully informed as to the financial interest of persons representing them and the Commission is committed to maintaining open, accessible financial records for all mandated filers running for office.
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Please select yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

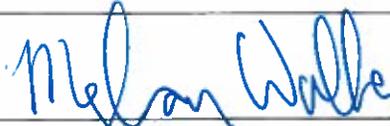
	<b>Yes</b>	<b>No</b>
<b>RESTRUCTURING RECOMMENDATIONS:</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please identify your agency's preferred contacts for this year's accountability report.

	<i><b>Name</b></i>	<i><b>Phone</b></i>	<i><b>Email</b></i>
<b>PRIMARY CONTACT:</b>	Meghan L. Walker	803-253-4192	mwalker@ethics.sc.gov
<b>SECONDARY CONTACT:</b>	Ami R. Franklin	803-253-4192	ami@ethics.sc.gov

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I have reviewed and approved the enclosed FY 2017-18 Accountability Report, which is complete and accurate to the extent of my knowledge.

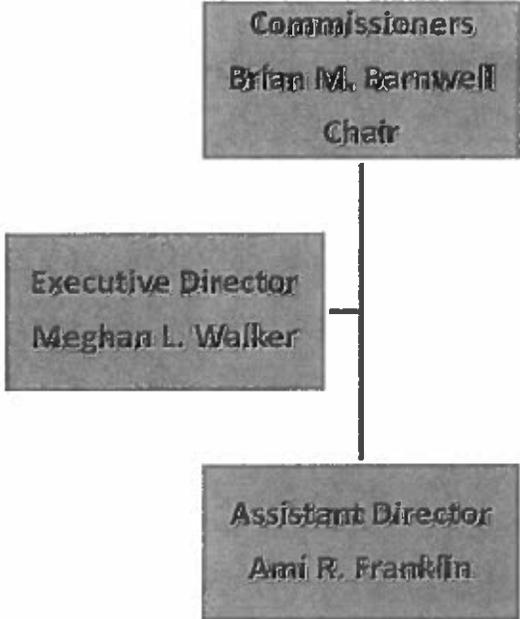
<b>AGENCY DIRECTOR (SIGN AND DATE):</b>	 9/14/18
<b>(TYPE/PRINT NAME):</b>	Meghan L. Walker

<b>BOARD/CMSN CHAIR (SIGN AND DATE):</b>	 9/14/18
<b>(TYPE/PRINT NAME):</b>	Brian M. Barnwell

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**AGENCY'S DISCUSSION AND ANALYSIS**

**ORGANIZATIONAL CHART**



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. Three of the four areas are driven by disclosure and now that all disclosure is done electronically, the Ethics Act needs to reflect that.

Enforcement of the Ethics Reform Act is the primary function of the State Ethics Commission. Government accountability is at the forefront of citizens' minds across South Carolina. The General Assembly, having acknowledged the need for increased scrutiny of public servants and public conduct, has allocated funds for additional staff: one additional investigator position, a newly created auditor position, and two new administrative positions. Increased staffing will allow the Commission to be more proactive in enforcement; therefore, increasing government accountability and transparency.

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The addition of an auditor to Commission staff will allow for the proactive enforcement of the Ethics Reform Act. Historically, Commission investigations have been initiated by citizen complaints and review of disclosure forms. The auditor will primarily be tasked with random, routine audits of required filers to ensure that public officials, public members and public employees at all levels of government are adhering to requirements under the Ethics Reform Act.

The Commission recognizes that with the financial resources to increase enforcement, there is a duty to increase educational efforts. The Commission has a renewed focus on educating public officials, public members and public employees on their duties under the Ethics Reform Act in an effort to ensure compliance and reduce the number of complaints/investigations that are filed.

**RISK ASSESSMENT AND MITIGATION STRATEGIES**

Efficient enforcement of the Ethics Reform Act requires disclosure of lobbying registration and activities, financial disclosure (via Statements of Economic Interests) and campaign practices and disclosures. All disclosures and reports are required to be electronically filed. With the electronic filing requirement, several statutes have been rendered antiquated and need to be repealed and/or amended. Each statute that contradicts the requirement of electronic filing leads to confusion and possible duplication of government actions and/or resources. Section 8-13-1310 requires that campaign filers file with the appropriate supervisory office. Section 8-13-1310 contradicts the requirement that both the Senate and House Ethics Committees forward a copy of each statement filed with them to the State Ethics Commission within five days of receipt, which leads to confusion and the possibility that both committees may inadvertently violate the Ethics Reform Act.

The Commission requests the following statutes be repealed in order to establish uniformity throughout the Ethics Reform Act:

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NEED TO REPEAL:

8-13-360

8-13-1180

8-13-1310

8-13-1350

8-13-1366

In addition to repealing the above statutes, the Commission requests that the current definition of "committee" be replaced with a definition that will survive constitutional challenge. In the 2010 case *South Carolina Citizens for Life v. Krawcheck*, the Commission's ability to enforce provisions of the Ethics Reform Act governing committees was effectively voided. To ensure that committees are properly monitored, and that transparency is established, the new definition of committee must apply only to organizations whose major purpose is supporting or opposing a candidate. Without redefining "committee," individuals running for office may be subjected to anonymous campaigns, under the authority of no law, waging political attacks without accountability.

In order to ensure that all individuals subject to reporting requirements concerning Campaign Disclosures and Statements of Economic Interests are reporting when necessary, the Commission needs to be fully informed of not only persons elected to office but also of persons seeking office. Due to lapses in reporting, there may be instances in which a candidate for office (specifically local races) falls under the jurisdiction of the Ethics Reform Act but we are unaware of his or her candidacy and are, therefore, not properly enforcing the Act.

To remedy this issue, the Commission requests that the State Election Commission as well as local Election Directors be mandated by law to provide identifying information of each person running for office at the close of filing.

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