

AGENCY NAME:	State Ethics Commission		
AGENCY CODE:	R520	SECTION:	110

Fiscal Year 2015-16 Accountability Report

SUBMISSION FORM

AGENCY MISSION	<p>The State Ethics Commission is an agency of state government responsible for the enforcement of the Ethics Reform Act of 1991. Our mission is to restore public trust in government. 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.</p>
-----------------------	--

AGENCY VISION	<p>Public policy developed by elected officials affects every citizen of the State, and it must be based on honest and fair deliberations and decisions. To preserve and maintain the integrity of the governmental policy-making process in South Carolina, it is necessary that the identity, expenditures, and lobbying of certain persons who engage in efforts to influence any public official or public employee be publicly and regularly disclosed. The State Ethics Commission works to restore public trust in the governmental institutions and the political and governmental processes.</p>
----------------------	---

Please state 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.

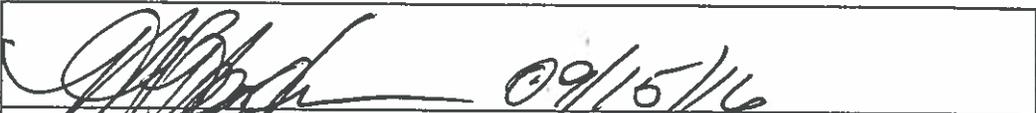
RESTRUCTURING RECOMMENDATIONS:	No
---------------------------------------	----

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

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Ami R. Franklin	803-253-4192	ami@ethics.sc.gov
SECONDARY CONTACT:	Kristin S. Nabors	803-253-4192	kristin@ethics.sc.gov

AGENCY NAME:	State Ethics Commission		
AGENCY CODE:	R520	SECTION:	110

I have reviewed and approved the enclosed FY 2015-16 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):	
(TYPE/PRINT NAME):	Herbert R. Hayden, Jr.

BOARD/CMSN CHAIR (SIGN AND DATE):	
(TYPE/PRINT NAME):	James I. Warren, III

AGENCY NAME:

State Ethics Commission

AGENCY CODE:

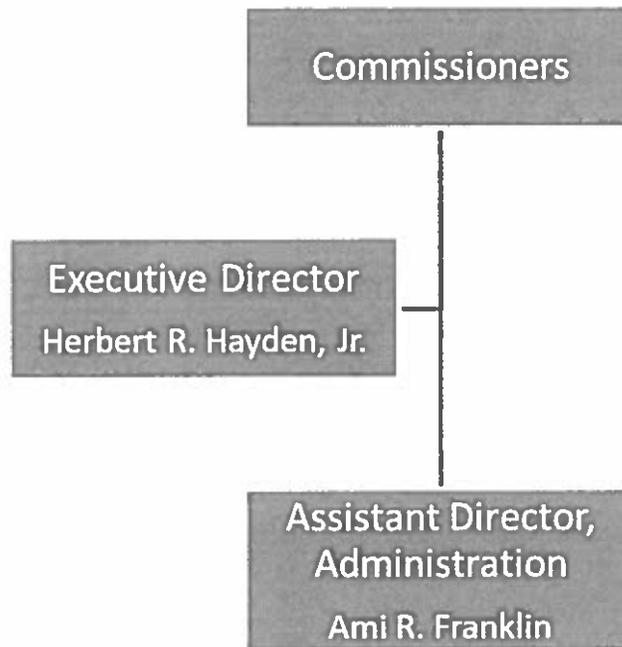
R520

SECTION:

110

AGENCY'S DISCUSSION AND ANALYSIS

ORGANIZATION CHART



AGENCY NAME:	State Ethics Commission	SECTION:	110
AGENCY CODE:	R520		

AGENCY'S DISCUSSION AND ANALYSIS

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

Enforcement of the very complex Ethics Reform Act is one of the major challenges before the State Ethics Commission. Over the last few years, 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. As the number of complaints and forms filed has increased each year, the need for additional staff increases.

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. The security of technology and personnel are major concerns. The Commission collects large

AGENCY NAME:	State Ethics Commission		
AGENCY CODE:	R520	SECTION:	110

quantities of data that must be securely maintained. Commissioners and staff deal with issues with the potential to enrage individuals, so personnel security must be a goal.

One highlight of 2016 was some changes to the Ethics Act. As of April 1, 2017 the State Ethics Commission will be responsible for investigating complaints involving Senate members, Senate candidates, House Members, and House candidates.

Another highlight of 2016 was getting the appropriations and authority from the legislature for another full-time investigator to be hired. This was accomplished in September 2015.

RISK ASSESSMENT AND MITIGATION STRATEGIES

The most important goal of our Strategic Plan is efficient and effective enforcement of the Ethics Act. Three of the four areas of responsibility of the State Ethics Commission are driven by disclosure. As of May 2010, all disclosures and reports were required to be filed electronically through our website. Staff has worked during the 2013, 2014, 2015, and 2016 legislative sessions to amend those sections of the Ethics Act that reflect a paper filing requirement; however, this objective has not been met. For example, Section 8-13-1310 requires that persons required to file certified campaign reports must file those reports with the appropriate supervisory office. In addition, the Ethics Committees of the Senate and the House of Representatives must forward a copy of each statement filed with them to the State Ethics Commission within five business days of receipt. This statute is contradictory to Section 8-13-365 which mandates the electronic filing of reports. Without changes to the legislation listed below, the State Ethics Commission is violating its own statutes.

LOBBYING

- 2-17-20(A)
- 2-17-25(A)
- 2-17-30(A)

AGENCY NAME:	State Ethics Commission		
AGENCY CODE:	R520	SECTION:	110

2-17-35(A)
2-17-40

DISCLOSURE OF ECONOMIC INTERESTS

8-13-1110
8-13-1120
8-13-1145
8-13-1170

CAMPAIGN DISCLOSURE

8-13-1320(1)
8-13-1337
8-13-1364
8-13-1530

MISCELLANEOUS

8-13-360
8-13-780(B)

NEED TO REPEAL:

8-13-1160
8-13-1180
8-13-1310
8-13-1350
8-13-1358
8-13-1362
8-13-1366

The General Assembly can help the State Ethics Commission resolve this issue before it becomes a crisis by passing legislation to help fix these discrepancies within our statute. In addition, to effectively enforce the Ethics Act, the General Assembly can help our agency by passing the above legislation concerning Chapter 17, Title 2. This will change the lobbyist and lobbyist's principal disclosure dates to more accurately coincide with the Legislative Session so that the public knows the amount of money being spent on lobbying in South Carolina. Amending Sections 2-17-20 and 2-17-25 would increase the lobbying fees per lobbyist and principal to \$200 per calendar year.

AGENCY NAME:	State Ethics Commission		
AGENCY CODE:	R520	SECTION:	110

In addition to these code sections that have previously been submitted for amendment, the State Ethics Commission would like to see Proviso 118.6 of the FY2017 Budget Appropriations amended or added to the statute to include instructions for the Commission to levy late filing penalties for the below reports and instructions to the Commission on what to do with the information once it is received from the agencies.

This proviso states:

118.6. (SR: Prohibits Public Funded Lobbyists) All state agencies and institutions are prohibited from using general fund appropriations to compensate employees who engage in lobbying on behalf of the state agency or institution. The State Ethics Commission shall require state agencies and institutions that report lobbying activities to the commission to certify that the lobbying activities were not funded by general fund appropriations.

All state agencies and institutions are prohibited from entering into contracts using general fund appropriations to provide lobbying services to the agency or institution.