

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

Fiscal Year 2019–2020 Accountability Report

SUBMISSION FORM

AGENCY MISSION

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.

AGENCY VISION

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.

Does the agency have any major or minor recommendations (internal or external) that would allow the agency to operate more effectively and efficiently?

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

Is the agency in compliance with S.C. Code Ann. § 2-1-230, which requires submission of certain reports to the Legislative Services Agency for publication online and to the State Library? See also S.C. Code Ann. § 60-2-30.

	Yes	No

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REPORT SUBMISSION COMPLIANCE:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 30-1-10 through 30-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

RECORDS MANAGEMENT COMPLIANCE:	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>


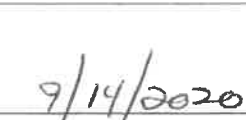
Is the agency in compliance with S.C. Code Ann. § 1-23-120(J), which requires an agency to conduct a formal review of its regulations every five years?


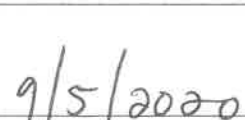
REGULATION REVIEW:	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

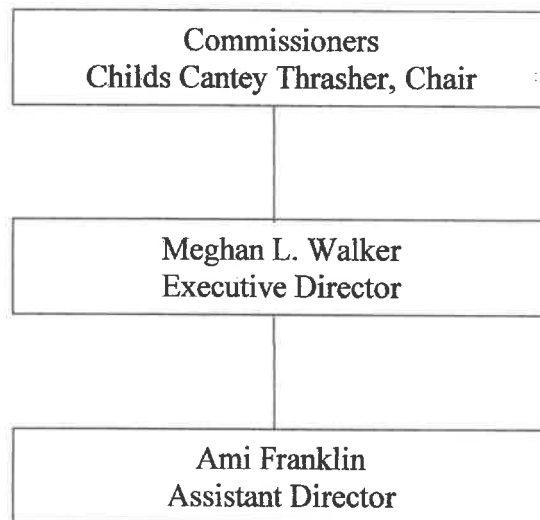
	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Meghan Walker	803-253-4192	mwalker@ethics.sc.gov
SECONDARY CONTACT:	Ami Franklin	803-253-4192	ami@ethics.sc.gov

I have reviewed and approved the enclosed FY 2019–2020 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):		
(TYPE/PRINT NAME):		

BOARD/CMSN CHAIR (SIGN AND DATE):		
(TYPE/PRINT NAME):	Childs Thrasher	

AGENCY'S DISCUSSION- AND ANALYSIS



The State Ethics Commission has one program, Administration. The 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 Reform Act must reflect that.

RISK ASSESSMENT AND MITIGATION STRATEGIES

Efficient enforcement of the Ethics Reform Act requires disclosure of lobbying registration and activities, financial disclosures and campaign practices 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

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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: Sections 8-13-360, 8-13-1180, 8-13-1310, 8-13-1350 and 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 with no accountability.

To further complicate enforcement, two cases recently decided in the state’s Circuit Court have interpreted *Krawcheck* differently, resulting in conflicting outcomes. A constitutional definition of “committee” will result in increased transparency, enforcement of contribution limits as intended and a more fair playing field for all candidates.

To ensure that all individuals subject to reporting requirements concerning Campaign Disclosures and Statements of Economic Interest are reporting when necessary, the Commission needs to be fully informed of not only persons elected to office but also 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.

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To remedy the 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 the office at the close of the filing.

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