

RECEIVED

2021 DEC -1 AM 11:54

STATE ETHICS
COMMISSION

STATE OF SOUTH CAROLINA
STATE ETHICS COMMISSION

COMPLAINT FORM

FOR COMMISSION USE ONLY:
CASE NUMBER
C 2021-120

COMPLAINANT: State Ethics Commission
ADDRESS: 201 Executive Center Drive
Suite 150
Columbia, SC 29210
TELEPHONE NUMBER: (803) 253-4192

RESPONDENT: Adam Reese, Sr.
ADDRESS: [REDACTED]
TELEPHONE NUMBER: (803) 521-7860
TITLE: Board Member – LLR Manufactured
Housing Board

Section 8-13-1140, SC Code Ann., 1976, as amended, requires the filing of an updated Statement of Economic Interests for the previous calendar year annually thereafter prior to March 30. Records in the State Ethics Commission indicate that the Respondent was required to file the 2018, 2019, and 2020 Statement of Economic Interests.

Respondent was reminded of the filing requirement by a certified letter dated April 22, 2021 as described in the attached. In addition, an email reminder was sent thirty days prior to the deadline. To date, no properly completed 2018, 2019, or 2020 Statement of Economic Interests has been received. All in violation of Section 8-13-1140, SC Code Ann., 1976, as amended.

All investigations, inquiries, hearings, and accompanying documents must remain confidential unless respondent waives the right to confidentiality. If there is a finding of probable cause, the following documents become public record: the complaint, the response (if any) by respondent, and the notice of hearing. If a hearing is to be held, the final order and all exhibits become public record. If no hearing is held following a finding of probable cause, the final disposition of the matter becomes public record. The willful release of confidential information is a misdemeanor, and any person releasing such confidential information, upon conviction, must be fined not more than one thousand dollars (\$1,000) or imprisoned not more than one year. Section 8-13-320(10)(g).

STATE OF SOUTH CAROLINA
COUNTY OF Richland

Personally appeared before me Meghan L. Walker who, first being duly sworn, says that she has read and knows the contents of the above complaint and that the allegations contained therein, are true and correct to the best of her own knowledge, except for those matters therein based upon information and belief, and as to those she believes them to be true.

Sworn to and subscribed before me this
1st day of December, 2021

[REDACTED]
Meghan L. Walker, Executive Director

[REDACTED]
Notary Public for South Carolina
My Commission expires 01/22/2026

SEC-7 (Revised 8/2019)

REPLY TO: 201 Executive Center Drive, Suite 150, Columbia, South Carolina 29210 (803)253-4192
FAXED COPIES WILL NOT BE ACCEPTED

C102form

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)
IN THE MATTER OF:)
Complaint C2021-120)
Adam Reese, Sr.)
Respondent.)
State Ethics Commission)
Complainant.)

BEFORE THE STATE ETHICS COMMISSION

NOTICE OF HEARING

The State Ethics Commission has determined that there is probable cause pursuant to Section 8-13-320(10)(i), Code of Laws, South Carolina, 1976, as amended, to support the allegations made in the above-captioned complaint. The Commission will convene a formal hearing into the matter in accordance with Section 8-13-320(10)(i) & (j), Code of Laws, South Carolina, 1976, as amended, and State Ethics Commission Regulations, S.C. Code Ann. Regs. 52-707 (1997 Cum. Supp.) on Thursday, August 18, 2022 at 9:30 a.m. at the Commission Hearing Room located at: 201 Executive Center Drive, Suite 150, Columbia, South Carolina 29210.

The following allegations will be heard:

COUNT ONE
FAILURE TO FILE STATEMENT OF ECONOMIC INTERESTS
SECTION 8-13-1140, S.C. CODE ANN., 1976, AS AMENDED

That Adam Reese Sr., Department of Labor Licensing and Regulatory (LLR) Manufactured Housing Board Member, did in Richland County, fail to file a 2018 Statement of Economic Interests (SEI), in violation of Section 8-13-1140.

COUNT TWO
FAILURE TO FILE STATEMENT OF ECONOMIC INTERESTS
SECTION 8-13-1140, S.C. CODE ANN., 1976, AS AMENDED

That Adam Reese Sr., Department of LLR Manufactured Housing Board Member, did in

Richland County, fail to file a 2019 SEI, in violation of Section 8-13-1140.

COUNT THREE
FAILURE TO FILE STATEMENT OF ECONOMIC INTERESTS
SECTION 8-13-1140, S.C. CODE ANN., 1976, AS AMENDED

That Adam Reese Sr., Department of LLR Manufactured Housing Board Member, did in Richland County, fail to file a 2020 SEI, in violation of Section 8-13-1140.

You have the right to be represented by counsel, the right to call and examine witnesses, the right to introduce exhibits, and the right to cross-examine opposing witnesses. This hearing will be open to the public as required by Section 8-13-320(10)(j), Code of Laws, South Carolina, 1976, as amended. The procedures to be followed are set forth in the Administrative Procedures Act, Section 1-23-10, et seq., Code of Laws, South Carolina, 1976 as amended the State Ethics Act, Section 8-13-100, et seq., Code of Laws, South Carolina, 1976, as amended, and State Ethics Commission Regulations, S.C. Code Ann. Regs. 52-707 (1997 Cum. Supp.).

A pre-hearing conference may be scheduled prior to the hearing to allow exchange of witness lists and evidence, marking of exhibits, and disposition of motions or pleadings. In the event you fail to appear, judgment by default will be rendered against you. If there are any questions concerning the above notice or hearing times, please contact the State Ethics Commission.



Meghan L. Walker, Executive Director
State Ethics Commission

Dated this 23rd day,
of March 2022.

Certificate of Service by Certified Mail

I hereby certify that a copy of this **NOTICE OF HEARING** was duly served on the RESPONDENT Adam Reese, Sr., 2017 Harlem Street, Columbia, SC 29209 by depositing said **NOTICE OF HEARING** in the United States mail, Columbia, South Carolina on this 29th day of March 2022, by CERTIFIED MAIL, E-RETURN RECEIPT REQUESTED, appropriate postage affixed, and a return address clearly indicated on said envelope.



Rachael O'Bryan, Administrative Assistant

Columbia, South Carolina

State Ethics Commission

(803) 253-4192

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)
IN THE MATTER OF:)
COMPLAINT C2021-120)
State Ethics Commission,)
Complainant.)
Adam Reese, Sr.,)
Respondent.)

BEFORE THE STATE ETHICS COMMISSION

DECISION AND ORDER

This matter comes before the State Ethics Commission (Commission) by way of a complaint filed on December 1, 2021. Pursuant to Section 8-13-320(10)(i) of the South Carolina Ethics, Government Accountability, and Campaign Reform Act of 1991 (Ethics Act), the Commission reviewed the above-captioned complaint against Adam Reese, Sr., (Respondent) and probable cause was found to warrant an evidentiary hearing. Present at the hearing on August 18, 2022, were Commissioners Brandolyn Thomas Pinkston, Matthew N. Tyler, and AJ Holloway, Hearing Chair. Respondent was duly notified, but did not appear. Complainant was represented by Courtney M. Laster. The following charges were considered:

COUNT ONE
FAILURE TO FILE STATEMENT OF ECONOMIC INTERESTS
SECTION 8-13-1140, S.C. CODE ANN., 1976, AS AMENDED

That Adam Reese, Sr., Department of Labor, Licensing, and Regulation (LLR) Manufactured Housing Board Member, did in Richland County, fail to file a 2018 Statement of Economic Interests (SEI), in violation of Section 8-13-1140.

COUNT TWO
FAILURE TO FILE STATEMENT OF ECONOMIC INTERESTS
SECTION 8-13-1140, S.C. CODE ANN., 1976, AS AMENDED

That Adam Reese, Sr., LLR Manufactured Housing Board Member, did in Richland County, fail to file a 2019 SEI, in violation of Section 8-13-1140.

COUNT THREE
FAILURE TO FILE STATEMENT OF ECONOMIC INTERESTS
SECTION 8-13-1140, S.C. CODE ANN., 1976, AS AMENDED

That Adam Reese, Sr., LLR Manufactured Housing Board Member, did in Richland County, fail to file a 2020 Statement of Economic Interests (SEI), in violation of Section 8-13-1140.

FINDINGS OF FACT

Having carefully reviewed the evidence presented, the Panel finds as fact:

1. At all times relevant, Respondent served on the LLR Manufactured Housing Board.
2. Respondent did not file a SEI on or before March 30 in 2018, 2019, or 2020.
3. In an April 22, 2021 certified letter, the Commission notified Respondent of his failure to file the aforementioned SEIs.
4. According to the United States Postal Service, the April 22, 2021 letter was delivered to Respondent's address of record on April 24, 2021 at 10:06 a.m.
5. Penalties began to accrue at \$30.00 per day (\$10.00 per report) on May 4, 2021.
6. Penalties began to accrue at \$300.00 per day (\$100.00 per report) on May 14, 2021.
7. Respondent came into compliance by filing his 2018, 2019 and 2020 SEIs on February 2, 2022, having accrued 15,000.00 in late-filing penalties (\$5,000.00 for each SEI).

CONCLUSIONS OF LAW

Based upon the Findings of Fact, the Commission concludes, as a matter of law:

1. At all times relevant, Respondent was a "public member" pursuant to Section 8-13-100(26) of the Ethics Act. Therefore, the Commission has personal and subject matter jurisdiction.
2. Section 8-13-1140 provides, in relevant part:

A person required to file a [SEI] under this chapter annually shall file, pursuant to Section 8-13-365, an updated statement for the previous calendar year, no later than

noon on March thirtieth of each calendar year . . .

3. Section 8-13-1510(A) of the Ethics Act provides, in part:

. . . a person required to file a report or statement under this chapter who files a late statement or report or fails to file a required statement or report must be assessed a civil penalty as follows: (1) a fine of one hundred dollars if the statement or report is not filed within five days after the established deadline provided by law in this chapter; and (2) after notice has been given by certified or registered mail that a required statement or report has not been filed, a fine of ten dollars per calendar day for the first ten days after notice has been given, and one hundred dollars for each calendar day in which the required statement or report is not filed, not exceeding five thousand dollars.

6. Section 8-13-130 of the Ethics Act allows the Commission to levy an administrative fee on any person who is found in violation of the Ethics Act.

DECISION

NOW, THEREFORE, based on the foregoing Findings of Fact and Conclusions of Law, the Panel has determined, based on a preponderance of evidence, that Respondent Adam Reese, Sr., is in violation of three (3) counts of Section 8-13-1140 for failing to timely file SEIs in 2018, 2019, and 2020.

THEREFORE, Respondent is hereby Publicly Reprimanded and assessed a late-filing penalty of \$15,000.00 (\$5,000.00 for each SEI) and an administrative fee of \$650.00, for a total of \$15,650.00.

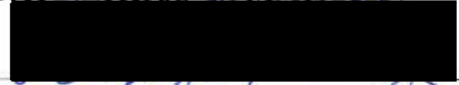
AND, pursuant to Section 8-13-320 of the Ethics Act, if the \$15,650.00 is not paid within ninety (90) days from Respondent's receipt of this Order, a judgment in the amount of \$15,650.00 shall be entered against Respondent. In the event of a failure to pay, upon the Commission's filing of said Judgment with the Clerk of Court in the County of Respondent's last known residence, the Clerk of Court shall enter this Order in the amount of \$15,650.00 in its Judgment Rolls, without cost to the Commission.

FINALLY, Respondent Adam Reese, Sr., has ten (10) days from receipt of this Order to

appeal this Decision and Order to the full Commission.

AND IT IS SO ORDERED THIS 26th DAY OF August 2022.

STATE ETHICS COMMISSION



AJ HOLLOWAY, HEARING CHAIR

Columbia, South Carolina

January 16, 2023

Ethics Commission
201 Executive Center Drive
Suite 150
Columbia, South Carolina 29210

Dear Sir/Madam:

I received a letter dated January 12, 2023 informing me of the actions the Ethics Commission took against me for not filing an ethics report for 2019, 2020 and 2021. I was not aware of the fact that I was requested to appear for a hearing, nor that I had to fill such a report.

When I inquired about this situation after receiving this letter, the information I received showed the U.S. Postal Service delivered a certified letter to my address requesting I appear for a hearing regarding this matter, however I never received nor did I sign for any mail from your office.

Therefore, I am appealing your decision and I am requesting another hearing to clear this matter up. It has been a joy and an honor to serve on this board, so whatever I need to do to clear this misunderstanding up, I will gladly do so.

Sincerely,



Adam Reese

STATE ETHICS COMMISSION
RECEIVED JAN 18 '23 AM 11:11

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

BEFORE THE STATE ETHICS COMMISSION

IN THE MATTER OF:)

Complaint C2021-120)

Adam Reese, Sr.,)
APPELLANT.)

State Ethics Commission,)
APPELLATE.)

NOTICE OF APPELLATE HEARING

Adam Reese, Sr. served a Motion for an Appeal on the State Ethics Commission on January 18, 2023. The State Ethics Commission will, therefore, convene a formal appellate hearing into the matter, in accordance with State Ethics Commission Regulations, 52 S.C. Code Ann. Regs. 802 (2013 Cum. Supp.) on May 18, 2023 at 9:30 a.m. at the State Ethics Commission Hearing Room located at: 201 Executive Center Drive Suite 150, Columbia, South Carolina 29210.

Pursuant to 52 S.C. Code Ann. Regs. 803, the Appellant shall file any additional briefs within ten (10) days of the date of service of this notice. In the event the Appellant fails to appear, he will have waived his hearing and judgment will stand.


Meghan L. Walker
Executive Director

Dated this 15th day,
of February 2023.

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)
IN THE MATTER OF:)
COMPLAINT C2021-120)
Adam Reese, Sr,)
Appellant.)
State Ethics Commission,)
Respondent.)

BEFORE THE STATE ETHICS COMMISSION

**ORDER VACATED BY CONSENT
OF THE PARTIES**

This is an appeal from a State Ethics Commission (Commission) Hearing Panel (Panel) Decision and Order (Decision) in a complaint filed against Adam Reese, Sr. (Appellant), a member of the Department of Labor, Licensing, and Regulation (LLR) Manufactured Housing Board. On August 18, 2022, the Panel considered a Notice of Hearing charging Appellant with failing to timely file three (3) Statements of Economic Interests. Appellant did not appear for the Panel hearing and was tried in his absence. Ultimately, the Panel found Appellant in violation of three (3) counts of Section 8-13-1140 of the Ethics Act and assessed a late-filing penalty of \$15,000 and an administrative fee of \$650. The Decision was hand-delivered to Appellant on January 12, 2023. Appellant timely filed a letter of appeal on January 16, 2023, arguing he had not received notice of the Panel Hearing.

At the outset of the appellate hearing¹ held on May 17, 2023, the Commission's General Counsel Courtney Laster advised the Appellate Panel that staff had reviewed the Commission's correspondence to Appellant related to the August 18, 2022 hearing and that it did not oppose vacating the previous order and granting a new hearing. Ms. Laster further stated that she had informed Appellant and his newly-obtained legal counsel of Commission staff's position and of

¹ Pursuant to S.C. Code Ann. Reg. 52-805, Commissioners Brandolyn T. Pinkston, AJ Holloway, and Matthew N. Tyler were excluded from Appellate Panel because they served on the original Hearing Panel.

her intent to convey it to the Appellate Panel at the call of the appellate hearing.

Following the receipt of this information, the Appellate Panel unanimously agreed to vacate the prior Decision and Order in C2021-120 and ordered that a new hearing be noticed and scheduled.

ORDER VACATED.

AND IT IS SO ORDERED THIS 18th DAY OF May 2023.

STATE ETHICS COMMISSION


SCOTT E. FRICK
APPELLATE PANEL CHAIR

Columbia, South Carolina

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)
IN THE MATTER OF:)
COMPLAINT C2021-120)
State Ethics Commission,)
Complainant,)
Adam Reese, Sr.,)
Respondent.)

BEFORE THE STATE ETHICS COMMISSION

CONSENT ORDER

This matter comes before the State Ethics Commission (Commission) by way of a Complaint filed on December 1, 2021. Pursuant to Section 8-13-320(10)(i) of the South Carolina Ethics, Government Accountability, and Campaign Reform Act (Ethics Act), the Complaint against Adam Reese, Sr. (Respondent) was considered by the Commission and probable cause was found to warrant an evidentiary hearing on three (3) counts of violating Section 8-13-1140 for failure to timely file 2018, 2019, and 2020 Statements of Economic Interests (SEI). Prior to the call of the case, Respondent agreed to the following:

STATEMENTS OF FACT

1. At all times relevant, Respondent served on the Department of Labor, Licensing, and Regulation's Manufactured Housing Board.
2. Respondent failed to timely file a SEI on or before March 30 in 2018, 2019, and 2020.
3. On April 22, 2021, the Commission sent Respondent a certified letter regarding his failure to timely file a 2018, 2019, and 2020 SEI.¹
4. According to the United States Postal Service, the certified letter was delivered to Respondent's address of record on April 24, 2021 at 10:06 a.m.
5. On May 4, 2021, late-filing penalties began to accrue at \$30 per day (\$10 per SEI).

¹ Respondent timely filed his 2021 SEI on March 30, 2021.

6. On May 14, 2021, late-filing penalties began accruing at \$300 per day (\$100 per SEI).
7. On February 2, 2022, Respondent came into compliance by filing his 2018, 2019, and 2020 SEIs. At the time Respondent came into compliance, he had accrued \$15,000 in late-filing penalties (\$5,000 for each SEI).

CONCLUSIONS OF LAW

Based upon the Statements of Fact, the Commission concludes, as a matter of law:

1. At all times relevant, Respondent was a “public member” pursuant to Section 8-13-100(24).

Therefore, the Commission has personal and subject matter jurisdiction.

2. Section 8-13-1140 provides, in relevant part:

A person required to file a [SEI] under this chapter annually shall file . . . an updated statement for the previous calendar year, no later than noon on March 30 . . .

3. Section 8-13-1510(A) provides:

Except as otherwise specifically provided in this chapter, a person required to file a report or statement under this chapter who files a late statement or report or fails to file a required statement or report must be assessed a civil penalty as follows: (1) a fine of one hundred dollars if the statement or report is not filed within five days after the established deadline provided by law in this chapter; and (2) after notice has been given by certified or registered mail that a required statement or report has not been filed, a fine of ten dollars per calendar day for the first ten days after notice has been given, and one hundred dollars for each additional calendar day in which the required statement or report is not filed, not exceeding five thousand dollars.

4. Section 8-13-130 allows the Commission to “levy an enforcement or administrative fee on a person who is in violation” of the Ethics Act.

DISCUSSION

The Commission found probable cause to charge Respondent with three (3) counts of violating Section 8-13-1140 for failing to timely file his 2018, 2019, and 2020 SEIs. Through this Consent Order, Respondent acknowledges he violated the Ethics Act when he failed to timely file

the required SEIs. As mitigation, Respondent states that this is his first instance of non-compliance and that he does not have regular access to a computer. Respondent states that he came into compliance promptly following contact from a Commission investigator. Respondent states that he will strive to file his SEIs in a timely manner in the future if he serves as a public member in the future. Respondent acknowledges that he received the Complaint and the cover letter accompanying the Complaint, but denies receiving the Commission's April 22, 2021 certified letter. The Commission recognizes that the return receipt associated with the certified letter does not contain Respondent's signature, but rather contains the notation "RT95 C-19" in the signature block.

DISPOSITION

1. The Commission hereby finds Respondent in violation of three (3) counts of Section 8-13-1140.
2. The Commission hereby adopts the Statements of Fact, Conclusions of Law, Discussion, and Disposition as agreed upon by the Respondent.

THEREFORE, the Commission hereby issues a written warning and orders the Respondent to pay the Commission, within six (6) months from receipt of this Order, a late-filing penalty of \$300 (\$100 for each SEI) and an administrative fee of \$300, for a total of \$600.

By executing this Consent Order, Respondent understands that he is not only admitting to violations of the Ethics Act, but also confessing to a judgment of \$600 (less any money paid to the Commission) in the event he does not make full and timely payment as provided for in this Order. In that event, the Commission shall file a Judgment against Respondent in the Clerk of Court's Office in the County of Respondent's last known residence. Upon said filing, the Clerk of Court shall enter this Order in the amount of \$600 (less any money paid to the Commission) in its

Judgment Rolls, without cost to the Commission.

AND IT IS SO ORDERED THIS 7th DAY OF July 2023.

STATE ETHICS COMMISSION


SCOTT E. FRICK, CHAIR


ADAM REESE, SR.
RESPONDENT


NATHANIEL ROBERSON, ESQ.
RESPONDENT'S ATTORNEY