

STATE OF SOUTH CAROLINA
STATE ETHICS COMMISSION

FOR COMMISSION USE ONLY:

CASE NUMBER

c 2023-083

COMPLAINT FORM

COMPLAINANT: State Ethics Commission

ADDRESS: 201 Executive Drive, Suite 150
Columbia, SC 29210

TELEPHONE NUMBER: (803) 253-4192

TITLE:

RESPONDENT: Stephen D. Cain

ADDRESS: 135 S. Oak Street
Batesburg, SC 29006

TELEPHONE NUMBER: (803) 807-1593

TITLE: Batesburg-Leesville City Councilmember

Set forth in detail specific facts upon which you based your complaint against above-named respondent (only detailed, clear factual allegations will be considered. If additional space is needed, attach supplemental sheets).

During a January 13, 2020 Batesburg-Leesville Town Council meeting, Respondent made a motion to nominate himself for the Joint Municipal Water and Sewer Commission (JMWSC), a compensated position. Review of the video recording and meeting minutes reflect the motion passed by a vote of 5-4, with Responding voting in favor of his nomination.

In addition, at a special-called town council meeting on January 21, 2020 a motion was made to reconsider Respondent's appointment to the JMWSC. The motion passed by a vote of 7-2, with Respondent voting against the motion. Subsequently, another motion was made to nominate the Mayor of Batesburg-Leesville to "retain his previous position" on the JMWSC. The motion passed 7-2, with Respondent voting against the motion. The position on the JMSCW is a compensated position.

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.

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

Personally appeared before me Meghan Walker Dayson who, first being duly sworn, says that he/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 his/her own knowledge, except for those matters therein based upon information and belief, and as to those he/she believes them to be true.

Sworn to and subscribed before me this
8th day of June, 2023

[Redacted Signature]

Notary Public for South Carolina

My Commission expires 01/22/26

[Redacted Signature]

Meghan Walker Dayson, Executive Director

SEC-7 (Revised 3/2022)

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

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STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

BEFORE THE STATE ETHICS COMMISSION

IN THE MATTER OF:)

Complaint C2023-083)

State Ethics Commission)
Complainant.)

Stephen D. Cain)
Respondent.)

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, in the above-captioned complaint. The State Ethics Commission will, therefore, convene a formal hearing into the matters, 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 21, 2025 at 9:30 a.m. at the State Ethics Commission Hearing Room located at: 201 Executive Center Drive, Suite 150, Columbia, South Carolina 29210.

The following allegations will be heard:

COUNT ONE
ATTEMPT TO INFLUENCE A GOVERNMENTAL DECISION IN WHICH
RESPONDENT HAD AN ECONOMIC INTERESTS
SECTION 8-13-700(B), S.C. CODE ANN., 1976, AS AMENDED

That Stephen D. Cain, Batesburg-Leesville Town Councilmember, attempted to influence a governmental decision in which he had an economic interest by participating, nominating himself, and voting to replace Lancer Shull on the Joint Municipal Water and Sewer Commission at the January 13, 2020 Town Council meeting, in violation of Section 8-13-700(B).

COUNT TWO
**ATTEMPT TO INFLUENCE A GOVERNMENTAL DECISION IN WHICH
RESPONDENT HAD AN ECONOMIC INTERESTS
SECTION 8-13-700(B), S.C. CODE ANN., 1976, AS AMENDED**

That Stephen D. Cain, Batesburg-Leesville Town Councilmember, attempted to influence a governmental decision in which he had an economic interest by participating and voting against the motion to reconsider the January 13, 2020 appointment of himself to the Joint Municipal Water and Sewer Commission at the January 21, 2020 Town Council meeting, in violation of Section 8-13-700(B).

COUNT THREE
**FAILURE TO RECUSE FROM A GOVERNMENTAL DECISION IN WHICH
RESPONDENT HAD AN ECONOMIC INTERESTS
SECTION 8-13-700(B), S.C. CODE ANN., 1976, AS AMENDED**

That Stephen D. Cain, Batesburg-Leesville Town Councilmember, failed to provide a written recusal statement regarding his appointment to the Joint Municipal Water and Sewer Commission at a January 21, 2020 Town Council meeting, in violation of Section 8-13-700(B).

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 Walker Dayson, Executive Director
State Ethics Commission

Dated this 20th day,
of March 2025.

Certificate of Service by Certified Mail

I hereby certify that a copy of this **NOTICE OF HEARING** was duly served on RESPONDENT Stephen D. Cain, 135 S. Oak Street, Batesburg, SC 29006 by depositing said **NOTICE OF HEARING** in the United States mail, Columbia, South Carolina on this 20th day of March, by **CERTIFIED MAIL, E-RETURN RECEIPT REQUESTED**, appropriate postage affixed, and a return address clearly indicated on said envelope.



Columbia, South Carolina

Rachael O'Bryan, Administrative Assistant
State Ethics Commission (803) 253-4192

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

BEFORE THE STATE ETHICS COMMISSION

IN THE MATTER OF:)
COMPLAINT C2023-083)

State Ethics Commission,)
Complainant,)

CONSENT ORDER

Stephen D. Cain,)
Respondent.)
_____)

This matter comes before the South Carolina State Ethics Commission (Commission) by way of a complaint filed on June 8, 2023. Pursuant to Section 8-13-320(10)(i) of the South Carolina Ethics, Government Accountability, and Campaign Reform Act (Ethics Act), the Complaint against Stephen D. Cain (Respondent) was considered by the Commission and probable cause was found to warrant an evidentiary hearing. Prior to the call of the case, Respondent agreed to the following:

STATEMENTS OF FACT

1. Respondent has served as a council-member for the Town of Batesburg-Leesville (Town) since 2005.
2. The Lexington County Joint Municipal Water and Sewer Commission (JMWSC) was created by statute in 1992 to meet water and wastewater service needs in certain areas of Lexington County.
3. JMWSC is governed by a Board of Commissioners (Board), which is comprised of individuals appointed by the governing bodies of its members, including the Town.¹ Once

¹ JMWSC's current members include the Town, Lexington County, the City of Cayce, the Town of Pelion, the Town of Swansea, the City of West Columbia, the Town of Springdale, the Town of Gaston, the Gilbert-Summit Rural Water District, the Town of Lexington, and the Town of South Congaree.

JX#1

appointed by their governmental entity, JWMSC Commissioners receive \$3,000.00 per year (\$250.00 per month), regardless of whether JWMSC convenes a meeting and regardless of whether the Commissioner actually attends a meeting.

4. During a January 13, 2020 council meeting, Respondent made a motion to nominate himself to the JMWSC. The motion passed by a vote of 5 – 4, with Respondent voting in favor of his nomination. Respondent did not provide a written recusal statement.
5. During a January 21, 2020 Council meeting, Council reconsidered Respondent's appointment to JWMSC. The motion to remove Respondent from the JWMSC passed by a vote of 7 – 2, with Respondent voting against his removal. Respondent did not provide a written recusal statement.

CONCLUSIONS OF LAW

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

1. At all times relevant, Respondent was a public official, as defined by Section 8-13-100(27).
Therefore, the Commission has personal and subject matter jurisdiction.
2. Section 8-13-700(B) provides, in relevant part:

No [public official] may make, participate in making, or in any way attempt to use his [public office] to influence a governmental decision in which he, a family member, an individual with whom he is associated, or a business with which he is associated has an economic interest. A [public official] who, in the discharge of his official responsibilities, is required to take an action or make a decision which affects an economic interest of himself, a family member, an individual with whom he is associated, or a business with which he is associated shall:

- (1) prepare a written statement describing the matter requiring action or decisions and the nature of his potential conflict of interest with respect to the action or decision;

JX #2

...

(4) if he is a public official, other than a member of the General Assembly, he shall furnish a copy of the statement to the presiding officer of the governing body of an agency, commission, board, or of a county, municipality, or a political subdivision thereof, on which he serves, who shall cause the statement to be printed in the minutes and require that the member be excused from any votes, deliberations, and other actions on the matter on which the potential conflict of interest exists and shall cause the disqualification and the reasons for it to be noted in the minutes.

3. Section 8-13-100(11)(a) defines “economic interest,” in relevant part, as:

... an interest distinct from that of the general public in a purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services in which a [public official] may gain an economic benefit of fifty dollars or more.

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

5. Section 8-13-320(10)(l)(i) allows the Commission to require payment of a civil penalty of up to two thousand dollars for each violation of the Ethics Act.

DISCUSSION

The Commission found probable cause to charge Respondent with three (3) counts of violating Section 8-13-700(B) for participating in, and failing to provide a written recusal for, the aforementioned votes. Through this Consent Order, Respondent acknowledges that he violated the Ethics Act in this regard. In mitigation, Respondent states he believed his actions were permissible based on guidance received from the Town’s attorney and a representative from the Municipal Association of South Carolina. Respondent states that the pay received by JWMSA Commissioners is commonly referred to as a “per diem” and that this designation led to the

JX #3

belief that the money was akin to an expense reimbursement and therefore was not of any economic benefit to its Board members. However, the Commission finds that, regardless of how the money is categorized or named, there is an economic interest in the JWMSC payments because the payments are made regardless of meetings attended or official duties performed. Respondent emphasizes that he served on the JWMSC Board for less than seventy-two (72) hours and that he never received any money for this service.

DISPOSITION

1. The Commission hereby finds Respondent in violation of three (3) counts of Section 8-13-700(B).
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 this Public Reprimand to Respondent for violation of the Ethics Act;

AND orders Respondent to pay to the Commission, within one (1) year from receipt of this Order, an administrative fee of \$250.00. The Commission declines to assess any civil penalties given that Respondent's service on the JWMSC was short-lived and because he received no money as a result of the service.

By executing this Consent Order, Respondent understands that he is not only admitting to violations of the Act, but also confessing to a judgment of \$250.00 (less any money paid to the Commission) in the event he does not make full and timely payment or action as provided in this Order. In that event, the Commission shall file a Judgment against Respondent in the County of Respondent's last known residence. Upon said filing, the Clerk of Court shall enter this Order in

JDC #4

the amount of \$250.00 (less any money paid to the Commission) in its Judgment Rolls, without cost to the Commission.

AND IT IS ORDERED THIS 17th DAY OF June, 2025.



STEPHEN D. CAIN
RESPONDENT

STATE ETHICS COMMISSION

