



Bingham

## State of South Carolina Office of the Governor

NIKKI R. HALEY  
GOVERNOR

1205 PENDLETON STREET  
COLUMBIA 29201

March 13, 2013

Dear Members of the House of Representatives,

I write today to recognize the leadership of Representative Kenny Bingham and to thank all twenty sponsors of H. 3772, a bill that would put most of the recommendations of the House Republican Caucus Ethics Reform Study Committee led by Representative Murrell Smith and the South Carolina Commission on Ethics Reform ("McMaster-Medlock Commission") into law.

In January, the McMaster-Medlock Commission released strong ethics reform proposals which I am committed to supporting. House Bill 3772 goes a long way to fulfilling the Commission's proposals, and Representative Bingham, Representative Murrell Smith, and others are committed to strengthening this legislation even further by supporting a constitutional amendment to give full ethics enforcement of all public officials, including legislative officials and employees, to an independent ethics commission.

We are approaching the mid-point of the legislative session, the citizens of South Carolina and I expect meaningful ethics reform to pass this year. I am pleased to see the Senate Judiciary Committee begin debate on Senator Wes Hayes' ethics reform legislation, and I look forward to the House beginning this important debate quickly. **To show your support for comprehensive ethics reform, I ask that you co-sponsor H. 3772 and the constitutional amendment to be introduced next week.** A summary of H. 3772 is enclosed.

For those who have already stepped forward to support ethics reform, I want to specifically thank the current co-sponsors of H. 3772: Representatives Allison, Cole, Daning, Henderson, Horne, Patrick, Pope, Quinn, J.R. Smith, Simrill, Merrill, Atwater, Spires, Ballentine, Huggins, Kennedy, Norman, G.R. Smith, and Toole.

Over the past several months, both inside and outside these walls, proposals have been put forth of merit, substance, and historic measure that our State has not seen in decades. I look forward to working with you and celebrating, together, comprehensive ethics reform **this year** that will once again restore the public's faith and trust in government.

My very best,

A handwritten signature in cursive script, reading "Nikki R. Haley".

Nikki R. Haley

Enclosure

## Highlights of H.3772

March 13, 2013

### **1. Reconstitutes the State Ethics Commission:**

- a. **Membership:** The House and Senate each elect two appointees; and the Governor makes four appointments.
- b. **Jurisdiction:** The Commission has preliminary investigative powers over both Legislative and Executive Branches and is empowered to receive, initiate, and process complaints. If a complaint is founded, the Public Integrity Unit (PIU) must conduct a formal investigation of legislative officials and their employees and may investigate for all other officials.

### **2. Revises the House and Senate Legislative Ethics Committees:**

- a. **Membership:** Each Committee is composed of ten members as selected by the rules of each house.
- b. **Jurisdiction:** The Committees have the power to conduct hearings and administer sanctions after receiving a report from the PIU. The Committees do not have the power to investigate.

### **3. Establishes a Public Integrity Unit:**

- a. **Membership:** The consortium of agencies includes the State Ethics Commission, the Attorney General's Office, the Department of Revenue, State Law Enforcement Division, and the Inspector General.
- b. **Jurisdiction:** The PIU has the power to order testimony and conduct investigations, all of which remain confidential until completed and transmitted to the originating body for final adjudication.

#### Summary of Investigative and Adjudicatory Process for legislative officials and employees:

*The State Ethics Commission is the sole authority to receive a complaint and conduct a preliminary investigation. If the Commission finds facts sufficient to infer a violation, then the complaint must be referred to the PIU for further investigation. If the PIU finds probable cause, then the complaint and investigative report must be transmitted to the appropriate Legislative Ethics Committee for adjudication. Confidentiality can only be waived by the respondent or upon transmittal of report from the PIU to the Legislative Ethics Committee.*

### **4. Strengthens Income Disclosures:**

**Nonpublic Income:** The law is expanded to include the disclosure of the source and type of all income received by a public official from a nonpublic source including consultants and independent contractors. Specific source and amounts must be disclosed when income is received from (a) lobbyist's principal (b) government regulated entity (c) government contract.

### **5. Clarifies Conflicts of Interest:**

- a. **Lobbying at the Local Level:** The law is expanded to include the regulation of lobbying at all levels of government, including the county and municipal levels.
- b. **Recusals for Legislators:** The law is clarified to require recusals at all times when a conflict of interest arises, including at the subcommittee and committee level.
- c. **Representation by Legislators:** The law is clarified to allow Legislators to represent clients before state agencies so long as the matter may ultimately be the subject of a contested case hearing.

### **6. Closes Existing Loopholes:**

- a. **Leadership PACs:** The law is clarified as to the definition of "committee" so as to abolish Leadership PACs.

\*\*\*This is a summary and should not be considered an exhaustive list.