

From: Robert Faturechi <Robert.Faturechi@propublica.org>
To: Adams, Chaney ChaneyAdams@gov.sc.gov
CC: Godfrey, Rob RobGodfrey@gov.sc.gov
Date: 6/23/2016 11:24:10 AM
Subject: question

Hi Chaney and Rob,

I wanted to check in and ask if the governor had any concerns about potential conflicts of interest on the state's building code council. As we detailed, several are or have been members of the HBA. One lives in a home mostly paid for through the HBA, even as he's lobbied by the HBA. Are there any procedural, or personnel, decisions that the governor is considering?

Thanks much!
Robert

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From: Adams, Chaney [<mailto:ChaneyAdams@gov.sc.gov>]
Sent: Friday, June 10, 2016 12:05 PM
To: Robert Faturechi
Cc: Godfrey, Rob
Subject: RE: response

Please contact the inspector general's office for information about any audit they have undertaken.

From: Robert Faturechi [<mailto:Robert.Faturechi@propublica.org>]
Sent: Friday, June 10, 2016 11:57 AM
To: Adams, Chaney
Cc: Godfrey, Rob
Subject: RE: response

Thanks so much, Chaney. One of my questions however is missing. Here it is again:

Why did the inspector general's office that the governor created do an audit of the South Carolina State Firefighters' Association's one-percent fund as one of its first orders of business? (This occurred before the IG became independent.) Did HBA complaints prompt the audit? Was the audit a reaction to the association's intense advocacy on behalf of the fire sprinkler mandate during the period immediately prior to Gov. Haley coming into office?

Also, some parts of my questions that were included below were not responded to. Should I treat those as the governor's office declining to comment, or were those oversights?

Thank you for your help on this.

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From: Adams, Chaney [ChaneyAdams@gov.sc.gov]
Sent: Friday, June 10, 2016 11:39 AM

To: Robert Faturechi
Cc: Godfrey, Rob
Subject: response

Before the May 23, 2012 code council meeting (in which the residential fire sprinkler requirement was approved) adjourned, did the governor's office summons then-state fire marshal Adolf Zobia for a meeting for the next morning? If so, how did the governor's office become aware that the requirement was adopted? Did the governor's office receive complaints from the HBA?

The governor's office communicates daily with agency officials, and LLR-- the Cabinet agency where the Codes Council is housed, is no different.

At the meeting the governor had with Zobia the next morning, did she tell him that he had to back off pushing for a residential fire sprinkler requirement if he wanted to remain in office? If so, was that pressure inspired by the HBA's complaints about Zobia and/or their complaints about the residential fire sprinkler requirement?

When preparing to appoint Zobia as fire marshal, did the governor tell him "You will never mandate residential sprinklers in the state of South Carolina"?

Beginning with the day appointees are announced, the governor has an open door policy with Cabinet directors and many agency officials, including those who serve at LLR, and this allows the governor to talk issues candidly with appointees.

On background: Video of the governor's announcement of the Zobia appointment is available here: <https://www.youtube.com/watch?v=qQqUlnzm-bs>

Has the governor's office ever been influenced by political contributions from home builders and realtors?

That's ridiculous. No.

Why is the governor opposed to a fire sprinkler mandate for new one and two family homes?

The governor believes South Carolinians, not the government, have the right to decide if they wish to install fire sprinklers in their homes.

How would the governor characterize her relationship with the Home Builders Association of South Carolina?

The governor works with many of the state's trade organizations and associations, including the Home Builders Association.

Why did the governor choose housing industry-friendly appointees to the code council?

The governor makes appointments to the Building Codes Council based on statute.

On background: Section 6-9-63 of the SC Code of Laws states:

(A) Each member of the council must be appointed by the Governor for a term of four years and until a successor is appointed and qualifies. The council consists of sixteen members composed of:

- (1) an architect licensed in South Carolina;
- (2) an engineer licensed in South Carolina from a list of qualified candidates submitted to the Governor by the South Carolina Council of Engineering and Surveying Societies;
- (3) a residential home builder licensed in South Carolina from a list of qualified candidates submitted to the Governor by the Home Builders Association of South Carolina;
- (4) a general contractor licensed in South Carolina from a list of qualified candidates submitted to the Governor by the Association of General Contractors;
- (5) a representative of the modular building industry from a list of qualified candidates submitted to the Governor by the Manufactured Housing Institute of South Carolina;
- (6) a code enforcement officer registered in South Carolina;

- (7) a fire marshal or fire chief designated by the State Fire Marshal;
- (8) a municipal administrator, manager, or elected official;
- (9) a county administrator, manager, or elected official;
- (10) a representative designated by the State Engineer of the Department of Administration;
- (11) a representative of the general public who is not in the practice of home or commercial safety inspection, construction, or building, and who does not have any financial interest in these professions, and who does not have any immediate family member in these professions;
- (12) a disabled person;
- (13) a representative of the property, casualty insurance industry;
- (14) a representative of the electrical industry who is either an engineer licensed in South Carolina or a master electrician from a list of qualified candidates submitted to the Governor by the Mechanical Contractors Association of South Carolina;
- (15) a representative of the mechanical or gas industry who is either an engineer licensed in South Carolina or a master mechanic from a list of qualified candidates submitted to the Governor by the Mechanical Contractors Association of South Carolina; and
- (16) a representative of the plumbing industry who is either an engineer registered in South Carolina or a master plumber from a list of qualified candidates submitted to the Governor by the Mechanical Contractors Association of South Carolina.

Why did Grant Gillespie check with Mark Nix (head of the HBA) about whether particular code council members should be reappointed? Does the governor think it's appropriate for the head of the industry's lobby group to have a say over who sits on the council that sets the rules for the industry?

As is required by law a variety of different industry experts submit qualified candidates, from across the building industry spectrum, to the governor to be considered for the board. The governor's office and cabinet agencies often reach out to a variety individuals and industry experts to vet prospective appointees.

Why did the Governor appoint Brian Denny to the code council? Did the recommendation from the HBA play a role? Was the governor aware that Denny had recently been gifted a home by the HBA? Is it a conflict of interest for a council member who sets the rules for the home building industry to live in a home paid for by the home building industry's trade association?

Did the HBA's recommendation of Melissa Hopkins influence the governor's decision to appoint her to the county official seat of the code council? In an email, Hopkins thanks the head of the HBA for the appointment. Is that appropriate, considering she sets the rules that home builders must abide by?

The governor appointed Curtis Rye to the municipal administrator seat of the code council. He runs a lumber wholesaler that supplies developers and he is also a member of the HBA. Is it appropriate for him to be a member of the HBA and hold his seat on the code council?

The governor appointed Frank Norris to the insurers seat on the code council. Was the governor's decision to appoint him influenced by the fact that he was recommended by the HBA? Norris is a member of the HBA who sells insurance to home builders. While on the code council, he was inducted into the HBA hall of fame at an invite-only event on an island resort, with the HBA noting his "unwavering efforts to protect the home building industry." Is it appropriate for him to hold his seat on the council and to be an HBA member who accepts that award?

As is required by the South Carolina state law it is the governor's job to appoint the members of the SC Building Codes Council. Mr. Denny, Ms. Hopkins, Mr. Rye and Mr. Norris are all qualified candidates who the governor feels will protect the safety and welfare of the public while, at the same time, defending consumer choice and the individual rights of South Carolinians.

Why did the governor not renew Frank Hodge as chair of the code council? Was the decision not to do so influenced by the HBA and intended to make the code council friendlier to home builders?

No.

On background: As stated in Section 6-9-63 of the SC Code of Laws: the council, not the governor, shall elect from its members a chairman and vice chairman.

Why were there 6 builders on the residential builders commission last year, despite the law's requirement that there be no more than 5? This is no longer the case – when did that change and why? Is this why Frank Clark is no longer on the commission?

Mr. Clark made the decision to retire from the commission and resigned. Separately, the placement of six builders on the commission was an administrative error that was corrected as soon as it was brought to our attention.

Why did the governor quickly replace state fire marshal John Reich when she came into office? Did the HBA's complaints about him, or his advocacy of fire sprinkler mandates play a role?

No. When the governor took office, she wanted to put fresh sets of eyes in jobs across state government to see how government could better serve the people of the state.

On background: As stated in Section 6-9-63 of the SC Code of Laws: "Effective July 1, 1979, the Division of State Fire Marshal is hereby transferred to the Department of Labor, Licensing and Regulation to operate as a division under the Office of Director...The Governor shall appoint the State Fire Marshal who shall serve as the Deputy Director of the Division of Fire and Life Safety."

According to Zubia, Mark Nix told him that the HBA has the governor in their "pocket" – and as a result the HBA felt little need to compromise on the residential fire sprinkler issue. Zubia says he recounted that claim by Nix to the governor. What is the governor's response to that characterization?

That's a ridiculous characterization. The governor does not believe in pitting one advocacy group against another or in choosing one over the other, but she does believe in individual rights-- in this case allowing South Carolina families to decide what works best in their homes.

Does the governor support the legislative effort to make South Carolina no longer bound in any way by ICC residential code recommendations?

On background: We are unaware of any current legislative effort to make South Carolina no longer bound to ICC residential code recommendations.