

**Meeting Agenda | Finance, Administration, Audit and Compliance Committee |
Health Care Policy Committee | Retirement Policy Committee | Board of Directors**

Wednesday, March 6, 2019 | 202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room

- I. Finance, Administration, Audit and Compliance (FAAC) Committee- 8:30 a.m.
 - A. Call to Order
 - B. Approval of Meeting Minutes- December 5, 2018
 - C. Internal Audit Reports
 - i. Retirement Plan Compliance- GARS
 - ii. Internal Audit Plan Status Report 2018/2019
 - iii. Internal Audit Plan 2019/2020
 - D. Old Business/Director's Report
 - E. Adjournment

- II. Health Care Policy Committee Meeting- 10:30 a.m.
 - A. Call to Order
 - B. Approval of Meeting Minutes- December 5, 2018
 - C. Review of Results from Pharmacy Initiatives
 - D. Update on Weight Management
 - E. Yes2Health! Wellness Initiatives at PEBA
 - F. Old Business/Director's Report
 - G. Adjournment

LUNCH

Notice of Public Meeting

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

- III. Retirement Policy Committee Meeting- 1:00 p.m.
 - A. Call to Order
 - B. Approval of Meeting Minutes- December 5, 2018
 - C. Defined Contribution Quarterly Reports
 - i. Deferred Compensation Program Investment Performance Report
 - ii. State ORP Investment Performance Report
 - D. Deferred Compensation Program Plan Summary
 - E. Old Business/Director's Report
 - F. Adjournment

- IV. PEBA Board Meeting- 3:00 p.m.
 - A. Call to Order
 - B. Approval of Meeting Minutes- December 5, 2018
 - C. Ethics Training- SC State Ethics Commission
 - D. Committee Reports
 - i. Finance, Administration, Audit and Compliance Committee
 - a) Internal Audit Plan 2019/2020
 - ii. Health Care Policy Committee
 - iii. Retirement Policy Committee
 - E. Old Business
 - i. Director's Report
 - ii. Roundtable Discussion
 - F. Adjournment

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING**

Meeting Date: March 6, 2019

1. Subject: Ethics Training

2. Summary: An educational presentation by Ms. Meghan Walker from the SC Ethics Commission as part of the Board's educational requirements.

3. What is the Board asked to do? Receive as information

4. Supporting Documents:

(a) List those attached:

1. PEBA Ethics Presentation



AVOIDING THE \$10,000.00 FINE

ETHICS REFORM ACT OF 1991

MEGHAN WALKER

EXECUTIVE DIRECTOR

STATE ETHICS COMMISSION



HISTORY OF THE SOUTH CAROLINA STATE ETHICS COMMISSION

- Commission was founded in 1975.
- 1990 and 1991: The Ethics Reform Act of 1991 expanded the commission and gave it additional responsibilities.
- 2016: Commission is revamped and authority is expanded.

OPERATION LOST TRUST

- THE INVESTIGATION THAT REPRESENTS THE TURNING POINT FOR ETHICS LAWS IN SOUTH CAROLINA.
- 17 MEMBERS OF THE GENERAL ASSEMBLY CONVICTED.
- 7 LOBBYISTS CONVICTED.
- UNDERCOVER FBI INVESTIGATION INTO RAMPANT CORRUPTION AT THE STATEHOUSE. MEMBERS OF THE GENERAL ASSEMBLY WERE SEEN TAKING CASH BRIBES FROM LOBBYISTS IN EXCHANGE FOR VOTES.



SOUTH CAROLINA ETHICS COMMISSION

PRIOR TO APRIL, 2017

- Nine commissioners appointed by the governor.
- The commission had no authority over members of the General Assembly.

CURRENT COMPOSITION

- 8 commissioners appointed; 4 by the Governor, 1 by House Democrats, 1 by Senate Democrats, 1 by House Republicans and 1 by Senate Republicans.
- The commission has the authority to investigate complaints against members of the General Assembly.

Who Does the Act Cover?

- Public Officials

- Any elected or appointed official of the state (excluding judges) and any candidate for such office.

- Public Members

- An individual appointed to a noncompensated, part-time position on a board, commission or council.

- Public Employees

- Any person employed by the state.

STATEMENTS OF ECONOMIC INTERESTS

Public members must file a Statement of Economic Interests every year they serve.

WHEN TO FILE YOUR SEI

- THIS YEAR: FILE WITHIN TEN DAYS OF ASSUMING YOUR RESPONSIBILITIES
- EVERY YEAR THAT YOU'RE ON THE BOARD: FILE BY MARCH 30TH.

Information Required On Your SEI

- The source, type, and amount or value of income, not to include tax refunds, of substantial monetary value received from a governmental entity by the filer or the filer's immediate family during the reporting period.
- Description, value and location of real property owned/options to purchase real property during the reporting period by filer or immediate family if:
 - Public improvements were made in excess of \$200.00
 - OR
 - The interest can reasonably be expected to be the subject of a conflict of interest.
 - If a sale, lease, or rental of personal property is to a state, county or municipal instrumentality of government, a copy of the contract, lease or rental agreement must be attached to the SEI.

Information Required On Your SEI

The name of each organization which paid for or reimbursed actual expenses of the filer for speaking before a public or private group, the amount of such payment or reimbursement, and the purpose, date and location of the speaking engagement.

You Don't Have to Disclose...

- Income means anything of value received, which must be reported on a form used by the Internal Revenue Service for the reporting of income received by an individual or a business.
- For purposes of your SEI, income does not include retirement, annuity, pension, IRA, disability or deferred compensation payment.

ACCEPTING GIFTS

What is a Gift?

- A gift is anything of value, including entertainment, food, beverage, travel and lodging given or paid to a public official, public member or public employee to the extent that consideration of equal or greater value is not received.
- A gift includes a rebate or discount on the price of anything of value unless it is made in the ordinary course of business without regard to that person's status.

Can You Accept the Gift?

- You must make an analysis of this on a case-by-case basis.
- Ask the following questions:
 - *Who is the donor?*
 - *What is the gift?*
 - *What is the gift's value?*
 - *Are there pending issues relating to the donor that may come before your body?*
 - *Are multiple people receiving the gift or just you?*

Reporting Gifts

- You must report the source and give a brief description of any gifts, including transportation, lodging, food or entertainment received from a person group or entity:
 - *If you believe that the gift would not have been given but for your official position.*
 - *If you believe that the gift giver has or is seeking to obtain contractual or other business or financial relationship with your governmental entity or*
 - *Conducts operations or activities which are regulated by your governmental entity if the value of the gift is twenty-five dollars or*

Public Disclosure

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Electronic Filing

SC State Ethics Commission

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Individual Reports Statement of Economic Interests

Statement of Economic Interests Report

Name: Nikki R. Haley
Year: 2012
Filing Date: 4/16/2012
Version: Original

Select a tab to view more.

- Summary
- Position
- Income & Benefits**
- Reg. Bus. Assoc.
- Property
- More »

Source	Type	Amount / Value	Miscellaneous
State of South Carolina	Income State or Local Government	\$94,147.51	Personal Income
State of South Carolina	use of state car State or Local Government	\$1.00	Personal Income
State of South Carolina	use of state plane State or Local Government	\$1.00	Personal Income
State of South Carolina	use of state residence State or Local Government	\$1.00	Personal Income
Penguin Group USA	book advance State or Local Government	\$200,000.00	Personal Income

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Electronic Filing

Statement of Economic Interests: Review

Filing Report Review

Name: Meghan L Walker
Year: 2017
Filing Type: Original

Select a tab to view entered information. To navigate between sections, use the 'More' or 'Back' tabs. To modify or delete an entry, click its corresponding link.

To print this report, click 'Open.' Then scroll down to the bottom of the report and click 'Print.'

Summary Position **Income & Benefits** Reg. Bus. Assoc. Property More »

[Add Personal Income/Benefit](#) | [Add Family Member Income/Benefit](#)

Source	Type	Amount / Value	Miscellaneous
Company x	personal income State or Local Government	\$3.00	Personal Income

File with the appropriate Ethics Commission

If you are satisfied with the information you have entered, you may file your report by clicking the "File" button below.

Return to My Filings

If you are finished viewing this report, you can return to your list of filings by clicking the "Save" button below.

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File

HOW TO FILE YOUR SEI



BEWARE OF AN SEI THAT LOOKS LIKE THIS...

Select a tab to view more.

Summary

Position

Income & Benefits

Reg. Bus. Assoc.

Property

More »



**** Filer does not have any personal income and benefit items to disclose. ****



**** Filer does not have any family income and benefit items to disclose. ****

NONCOMPLIANCE

- Remember that this covers information from the previous year.
- Due upon assumption of official duties and then by March 30th of each calendar year.

PENALTIES

- Initial \$100.00 penalty.
- After certified letter is delivered: \$10.00 dollars a day after ten days.
- After ten days: \$100.00 day until maximum penalty of \$5,000.00 is reached.
- There may also be a complaint filed which means possible additional fines and fees.

NONDISCLOSURE

- Must disclose all information required in your SEI.
- If you fail to disclose the required information, you may be given a chance to correct the omission.

PENALTIES

- Maximum fine of \$2,000.00
- Complaint can be filed which may mean additional fees.

INFLUENCING THE OUTCOME OF AN ELECTION

- No person may use government funds, property or time to influence the outcome of an election.
- This includes using government time and resources to influence the outcome of an election or ballot measure. For purposes of this statute, ballot measure means:
 - *Referendum*, proposition, or measure submitted to voters for their approval.
- This is not a prohibition against a governmental entity preparing informational materials, conducting public meetings or responding to news media or citizens' inquiries concerning a ballot measure affecting the governmental entity.

CONFLICTS OF INTEREST

700 violations

- Deals with self-dealing and nepotism.
- Section 8-13-700(A)
 - “No public official, public member, or public employee may knowingly use his official office, membership, or employment to obtain an economic interest for himself, a family member, an individual with whom he is associated, or a business with which he is associated.”
 - Exception for incidental use not resulting in additional public expense.
- Section 8-13-700(B)
 - “No public official, public member, or public employee may make, participate in making, or in any way attempt to use his office, membership, or employment 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.”

FAMILY MEMBERS

Your spouse, parent, brother, sister, child, mother-in-law, son-in-law, brother-in-law, sister-in-law, grandparent or grandchild.

Dictionary defines brother-in-law as:

- a - the husband of one's sibling
- b - the husband of one's spouse's sibling

ECONOMIC INTEREST

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, public member, or public employee may gain an economic benefit of fifty dollars or more.

Person with whom you are associated

- An individual with whom the person or a member of his immediate family mutually has an interest in any business of which the person or a member of his immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Business with which you are associated.

- A business of which the person, or a member of his immediate family, is a director, an officer, owner, employee, a compensated agent, or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the total outstanding stock of any class.

Violations of 720

- You may not solicit or receive money in addition to that received in your official capacity for advice or assistance given in the course of your employment.

PENALTIES

- Maximum fine of \$2,000.00
- Complaint can be filed which may mean additional fees.

Violations of 740

- Representing a person before any agency, unit or subunit of your BOT for which the public member has official responsibility except as required by law.
 - Applies unless representation occurs in the normal course of business, is ministerial or is personal in nature.

PENALTIES

- Maximum fine of \$2,000.00
- Complaint can be filed which may mean additional fees.

UNDER NO CIRCUMSTANCES MAY YOU...

- RECEIVE ANYTHING OF VALUE WITH THE INTENT OF INFLUENCING YOU IN YOUR OFFICIAL CAPACITY.
- ACCEPT ADDITIONAL MONEY FOR ASSISTANCE GIVEN WHILE PERFORMING YOUR OFFICIAL DUTIES.
- USE CONFIDENTIAL INFORMATION GAINED THROUGH EMPLOYMENT/APPOINTMENT FOR YOUR PERSONAL GAIN.
- REPRESENT ANOTHER PERSON BEFORE YOUR GOVERNMENT BODY.
- MAY NOT ACCEPT AN HONORARIUM FOR SPEAKING ENGAGEMENTS.

IF YOU HAVE A
CONFLICT THEN
YOU **MUST**
RECUSE
YOURSELF!

HOW TO RECUSE YOURSELF

- 1) Prepare a written statement describing the matter requiring action or decision and the nature of your potential conflict of interest with respect to the action or decision.
- 2) Public Members: Furnish a copy to the presiding officer of your board, who shall cause the statement to be printed in the minutes and shall require that you be excused from any votes, deliberation and other actions on the matter in question.

REQUESTING AN OPINION

- As a public member, public official, or public employee, you can request either an informal or formal opinion from the State Ethics Commission.
- A formal opinion is issued by the Commission and is binding.
- An informal opinion issued by Commission staff is not binding,
- For sensitive matters, you may request a confidential formal or informal opinion. Requests must be made in writing.

Please Contact Us With Any Questions

For questions about Statement of Economic Interests, please contact [Lessie Cheeseboro](#).

For questions about Campaign Disclosures, please contact [Sandra Willis](#).

For questions about the complaint process or the law, please contact [Courtney Laster](#).

For questions about the obligation to register as a Lobbyist or Lobbyist's Principal, please contact [Karen Wiggins](#).

For questions about training, please contact [Meghan Walker](#).

All media questions should be directed to mediaquestions@ethics.sc.gov.

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