

Accountability Report Transmittal Form

Agency Name South Carolina State Ethics Commission

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STATE ETHICS COMMISSION

SECTION I - EXECUTIVE SUMMARY

The General Assembly established the State Ethics Commission's mandate to restore public trust in governmental institutions and the political and governmental processes. The State Ethics Commission's mission is established by the statutory provisions of the Ethics Reform Act of 1991, Sections 2-17-5, et. seq., and 8-13-100, et. seq., Code of Laws for South Carolina, 1976, as amended. The State Ethics Commission has one program, Administration. This program encompasses four distinct areas of responsibility of the Ethics, Government Accountability and Campaign Reform Act of 1991: lobbying registration and disclosure; ethical rules of conduct; financial disclosure; and campaign practices and disclosure.

1. Mission and Values

The State Ethics Commission is an agency of state government responsible for the enforcement of the Ethics Reform Act of 1991 to restore public trust in government. The mission of the State Ethics Commission is to carry out this mandate by ensuring compliance with the state's laws on financial disclosure, lobbyist/lobbyist's principal disclosure and campaign disclosure; regulating lobbyists and lobbying organizations; issuing advisory opinions interpreting the statute; educating public officeholders and the public on the requirements of the state's ethics laws; conducting criminal and administrative investigations of violations of the state's ethics laws; and prosecuting violators either administratively or criminally.

2. Key Strategic Goals for Present and Future Years

A continued key strategic goal is an electronic filing system. The system would enable public

officials, candidates, public employees and lobbyists/lobbyist's principals to file registration and disclosure reports on line. A second strategic goal is the cross training of personnel to ensure smooth transitions in the event of promotions, retirement or turnover.

3. Opportunities and Barriers in Fulfilling Mission and Achieving Goals

Enforcement of the very complex Ethics Reform Act is one of the major challenges before the State Ethics Commission. Citizen's and state agency's concern with public corruption and violations of the state's ethics laws have caused increased investigative and non-compliance caseloads. The Commission's mandate requires close analysis of critical issues of which the outcomes have significant impacts on the lives of the affected individuals, to include criminal prosecution. This mandate coupled with personnel and equipment needs, and limited funds, are major barriers to the fulfillment of the agency's mission and goals. An information management system, to include electronic filing of campaign, financial, and lobbyist/lobbyist's principal disclosure, is a second major challenge. Budgetary constraints make achieving this goal impossible at this time, although a major amendment to the Ethics Reform Act requires electronic filing by the 2006 election.

4. Major Achievement from Past Year

The major achievement from the past year is the passage of a major amendment to the Ethics Reform Act. The changes are far reaching, although substantive changes to campaign finance do not go in effect until after the November 2004 general election. In addition, staff continues to upgrade the Commission's website to include information on resolved complaints, advisory opinions, L/LP lists and the availability of all Commission forms online. The ability of filers to download and print Commission forms has been both a time-saver for staff and a cost-saver to the Commission. A list of

public officials and employees who have failed to pay late filing penalties and enforcement fines was added during 2002.

5. How the Accountability Report is used to improve organizational performance

Through monthly staff meetings senior staff members review organizational performance review findings to compare findings with the previous year's Accountability Report to determine staffing needs, particularly cross training and volunteer needs. Using the monthly findings, which are the basis of the Business Results of the Accountability Report, the Executive Director briefs the Commission at its meetings. While these performance measures are impacted by forces outside the Commission's control, it is important for the senior staff and Commission members to be aware of how the figures compare month to month as well as with the prior years' reports.

SECTION II - BUSINESS OVERVIEW

The State Ethics Commission is composed of nine private citizens who are appointed by the Governor with the advice and consent of the General Assembly. The Commission sets the policy, recommends legislative changes to the statute, issues formal advisory opinions, and conducts hearings into complaint matters. The Commission has a ten-member staff (9 FTE, 2 PTE vacant).

The Commission has only one location at 5000 Thurmond Mall, Suite 250, Columbia. The Commission's customers include public officials, public members, public employees, candidates and political committees, other state and local agencies, the citizens of South Carolina, and the media. The key stakeholders other than the key customers already listed are the members of General Assembly. Beyond the computer support and services provided by the CIO and the University of South Carolina, the Commission does not have key suppliers. All other services and supplies are obtained through the bid process.

Accountability Report Appropriations/Expenditures Chart Example

The chart form is available at www.state.sc.us/osb. Use the chart for Section II Business Overview Item 3 in the accountability report.

Base Budget Expenditures and Appropriations

Major Budget Categories	01-02 Actual Expenditures		02-03 Actual Expenditures		03-04 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$327,523.73	\$327,523.73	\$307,017.80	\$307,017.80	\$301,401	\$301,401
Other Operating	\$151,064.34	\$77,062.37	\$141,768.67	\$37,629.01	\$50,000	\$50,000
Special Items	\$25,786.10	\$25,786.10	\$0	\$0	\$0	\$0
Permanent Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Case Services	\$0	\$0	\$0	\$0	\$0	\$0
Distributions to Subdivisions	(\$60,485)* \$(10,129)**	(\$60,485)* \$(10,129)**	\$0	\$0	\$0	\$0
Fringe Benefits	\$90,227.44	\$90,227.44	\$84,487.13	\$84,487.13	\$88,375	\$88,375
Non-recurring	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$523,987.61	\$449,985.36	\$533,273.60	\$429,133.94	\$439,776	\$439,776

*Represents total fiscal year budget cuts

**Represents carry forward from FY00-01

Other Expenditures

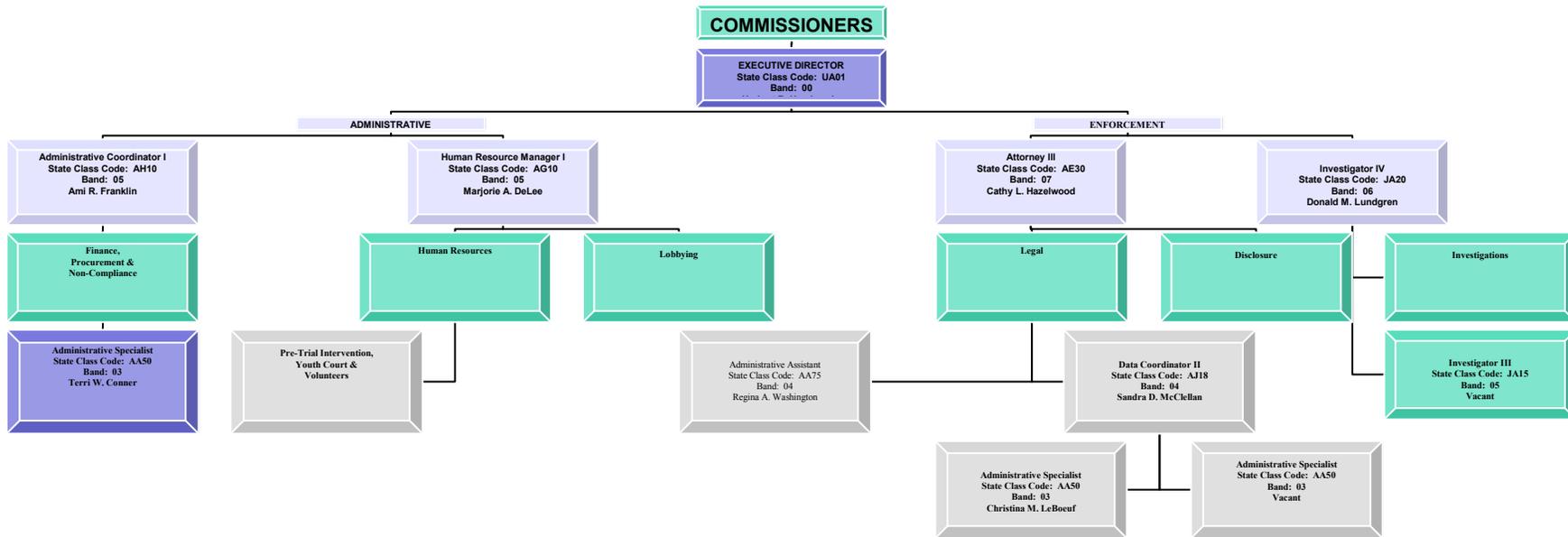
Sources of Funds	01-02 Actual Expenditures	02-03 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

Interim Budget Reductions

Total 01-02 Interim Budget Reduction	Total 02-03 Interim Budget Reduction
\$60,485	\$40,136

State Ethics Commission

ORGANIZATIONAL CHART



SECTION III – ELEMENTS OF MALCOM BALDRIGE AWARD CRITERIA

Category I – Leadership

The State Ethics Commission is a small state agency with a staff of ten people (nine FTE's and two PTE vacant). Every employee, as well as volunteers, appears on the organizational chart. There are not layers of managers, supervisors, deputies, etc. between the Commission's senior leader, the Executive Director, and Commission staff. The Executive Director speaks to each employee everyday. The Executive Director discusses short term expectations at monthly staff meetings. The Executive Director review leave requests, determines the audit status of all forms and updates staff on matters of interest. A continued concern to employees was the budget shortfall and potential layoffs. The Executive Director communicated regularly with staff about the budget and also sought staff input on cost-saving strategies.

Long term performance expectations and direction are communicated at annual staff reviews conducted each September. This one month review period allows the Executive Director to plan merit raises and revise employee responsibilities as needed. During annual reviews employee performance expectations are discussed and set. Organizational values are discussed with new hires after a new employee reviews the Commission's Administrative Policies and Procedure Manual. All employees are required to stay up to date on changes in the manual.

The Executive Director is always prepared to listen to staff's suggestion on ways to improve a process for both the customer and the employee. Staff, like various customers, often make suggestions that they believe would improve the process; however, many processes must be complied with because they are a mandated in the Ethics Reform Act.

In the past training sessions and seminars were available to all employees; however, in

January, 2001, the Commission froze the training budget as a result of anticipated midyear budget cuts and cuts in the FY2002 budget. Only essential training was taken by staff. The Executive Director continued to participate in agency head training throughout the year. In addition, the Executive Director and the Investigator are certified law enforcement officers and they must participate in regular training sessions to maintain their certification. This training is provided by the Criminal Justice Academy at no charge to agencies. General Counsel participates in a minimum of 14 hours of continuing legal education training each year; however, the Commission does not pay for this training.

As the state agency that enforces the Ethics Reform Act, both the Executive Director and staff model ethical behavior. Commission members recuse themselves and leave the room when even a potential, not actual, conflict exists. Policies and procedures are in place for the use of Commission equipment and supplies and subsequent reimbursement.

Staff is well aware of who the Commission's customers are as each employee interacts with customers everyday, whether on the phone or in person. The Commission's customers include the citizens of South Carolina, public officials, public members, public employees, candidates for public office, committees, lobbyists and lobbyist's principals, all state agency heads, the Governor's Office, and the media. Staff are courteous and knowledgeable in responding to the Commission's customers. Staff, to include the Executive Director, has an open-door policy for walk-in customers.

The Executive Director receives and reviews a monthly compliance report which is a compilation of key performance measures which include the number of forms received; the number of complaints received; the number of complaints resolved; the number of both formal and informal opinions issued; and the amount of money received, to include late-filing penalties, complaint fines,

administrative fees and lobbyist's/lobbyists' principals registration fees. This same information from the previous fiscal year is also provided on this compliance report for comparison.

Through monthly staff meetings senior staff members review organizational performance review findings to compare findings with previous years to determine staffing needs, particularly cross training and volunteer needs. Using the monthly findings the Executive Director briefs the Commission at its meetings. While these performance measures are impacted by forces outside the Commission's control, it is important for the senior staff and Commission members to be aware of how the figures compare month to month as well as with the prior years.

The Commission does not normally address the current and potential impact of the Ethics Reform Act on the public, since the Commission is mandated to enforce the Act as written. Services are provided within the confines of the Act. If the General Assembly amends the Act, then the Commission must enforce it notwithstanding the impact, either negative or positive. The Commission must submit fiscal impact statements with proposed amendments.

While every duty and responsibility of the Commission is mandated by statute, the senior staff must set priorities to ensure that deadlines are met, and each of the duties is fulfilled as required. Priorities are set through discussions with senior staff using input from staff members and Commission Members. These priorities are communicated to those staff members affected through staff meetings, memos and e-mails to individual staff members

Staff is encouraged to participate in community service projects. The Commission had approximately 90% participation in the United Way campaign and the Good Health Appeal. Various members of staff also participated in Buck-A-Cup, Ask-a-Lawyer, the YWCA Legal Clinic, the Salvation Army Red Kettle Campaign, Meals on Wheels and regular blood donations to the

American Red Cross. In addition, many staff members are actively involved in their churches and their churches community outreach programs.

Category 2 - Strategic Planning

The Executive Director, with staff input and some input from Commission members, is the sole participant in the strategic planning process. As noted, staff input is welcomed and the Executive Director formulates the strategic plan after reviewing input and process results from the previous year. The Commission is forced to conform any strategic planning to its mandate, its small budget, its small staff, and for approximately six months of FY 2003 its outdated computer system. Customer needs and expectations are reviewed in line with the requirements of the Ethics Reform Act. Due to the Commission's limited budget, financial considerations are ever present in the strategic planning process, as are the human resource capabilities and needs and the operational capabilities and needs.

Of the two strategic goals in place, the electronic filing system action plan is in place. No monetary resources were expended, although a significant amount of staff time was devoted to reviewing various systems already in use. The cross training is ongoing and each employee can perform at least one other employee's duties, if not two. The cross training requires significant amounts of staff time, but no other resources are expended. In presenting the Commission's budget to the General Assembly, the Commission communicated and deployed its key strategic goal for an electronic filing system. The General Assembly has mandated an electronic filing system to be implemented by January 2006; however, no funding has been provided. As for the second key strategic goal of cross training employees, staff meetings and one on one meetings between the Executive Director and staff are the means used to communicate and deploy its key strategic goal.

The Commission's strategic plan is not available on its website.

Category 3 - Customer Focus

Key customers and stakeholders of the State Ethics Commission are filers of forms; complainants and respondents; reviewers of forms; public officials, public members and public employees; candidates and committees; training participants; opinion requesters and the citizens of South Carolina. The largest percentage of the Commission's customers is determined by the Ethics Reform Act and it is the Act that determines each customer's requirements. For example, the Commission must make forms available to filers; it must timely audit the forms and return those which are incomplete; it must ensure compliance by penalizing non-filers. Each step corresponds to a specific section of the ERA

The Commission is constrained in keeping its listening and learning methods current with changing customer needs by two major factors: the Ethics Reform Act itself and the Commission's budget. Clearly, the trend in disclosure, to include financial, campaign and lobbyist/lobbyist's principal, is for the electronic filing of this information. The trend for making this information available to the public is also to provide it electronically; however, until such time as the Commission's budget includes funding for electronic filing, the Commission will not keep current with changing customer needs. According to information provided by the Center for Governmental Studies of Los Angeles, South Carolina remains one of only four states which do not provide some form of electronic filing or viewing.

Due to budget constraints only one key customer group was regularly surveyed in FY2003: training participants. When the Commission conducts its standard training, a training survey is provided to the participants to complete. In other training situations, staff is part of a program

wherein survey results are compiled at the conclusion of the entire program and staff is notified of the results at a later date. A review of the Commission's training survey results found that approximately 83% of responders found the training to be good or excellent; however, 17% found it to be poor and unresponsive to their expectations. By statute, our top two key customers are filers of forms and respondents. Staff has not yet developed either a cost effective or reliable surveying technique for either group.

Commission staff interacts daily with filers of forms and responds courteously in answering and in assisting with completing the forms. Due to the adversarial nature of the complaint process a positive relationship between the Commission and parties to the complaint is not often possible. Respondents are involuntary customers of the Commission and the Commission strives to ensure each Respondent is afforded his due process rights of a timely and meaningful opportunity to be heard and access to judicial review.

Category 4 - Information and Analysis

It is the Commission's belief that what gets measured is what gets done in an organization. The Commission measures the number of forms received; the number of complaints received; the number of complaints resolved; the number of both formal and informal opinions issued; and the amount of money received, to include late-filing penalties, complaint fines, administrative fees and lobbyist's/lobbyists' principals registration fees. Current numbers are always compared to the previous years to track trends. The Commission relies on staff members whose duties include the compilation of the above information. The Commission uses the information to assist in developing the strategic plan. The Commission attempts to find other public agencies with comparable duties and mandates. As a result of the Commission's past membership with Council on Government

Ethics Law (COGEL), the Commission has found only one other state agency with similar areas of responsibility regarding state government: lobbying registration and disclosure; ethical rules of conduct; financial disclosure; and campaign practices and disclosure. The Commission also found a city agency with the same responsibilities and the analysis for both entities appears in Category 7 Results.

Category 5 - Human Resource Focus

As noted before, the State Ethics Commission is a small state agency. The Executive Director speaks to each employee daily. While the Commission is unable to make significant financial rewards to its employees, the Commission does provide many non-financial rewards such as recognition of significant employment milestones; lunch for staff in observance of Employee Recognition Week; flexible scheduling; casual dress day on Friday; birthday celebrations, to include the afternoon off; a ½ day for Christmas shopping; holiday meals together; and in past years training.

Training sessions and seminars were available to all employees; however, in January, 2001, the Commission froze the training budget as a result of anticipated midyear budget cuts. The cuts continue. Only essential training was taken by staff. The Executive Director continued to participate in agency head training throughout the year. In addition, the Executive Director and the investigator are certified law enforcement officers and they must participate in regular training sessions to maintain their certification. The Criminal Justice Academy provides this training at no charge to state agencies. General Counsel participates in a minimum of 14 hours of continuing legal education training each year; however, the Commission does not pay for this training. Staff has participated in free training provided by the State when available.

The Employee Performance Management System provides an opportunity for the Executive

Director and the employee to make changes to employee responsibilities in line with ongoing strategic goals and to revise position descriptions to accurately reflect actual duties. The process encourages high performance by realigning the position description and evaluation documents with the actual job responsibility.

The Commission monitors employee well being and satisfaction through two key measures: staff longevity and turnover. The Commission investigator retired during FY2003; however, he has returned as part-time employee. Two-thirds of the staff has been with the Commission between five to 15 years. During these uncertain economic times in state government employees were simply satisfied to have a job when asked about employee satisfaction.

The Commission's office is in a smoke-free building which provides a smoke-free work environment. Except for certified law enforcement officers, the Commission's office does not permit concealable weapons. Policies and procedures are in place regarding weapons and the use of force. The staff kitchen is a repository for various health newsletters and employees are welcome to post health articles and other articles of interest in the kitchen. Staff members take part in health screenings offered by the State Health Plan and results are informally discussed in staff meetings.

Employees are encouraged to participate in community service projects. These include the United Way, the Good Health Appeal, Buck-A-Cup, Ask-a-Lawyer, the Salvation Army Red Kettle Campaign, Meals on Wheels and regular blood donations to the American Red Cross. In addition, many employees are actively involved in their churches and their churches' community outreach programs.

Category 6 - Process Management

The Commission's key design and delivery processes must fit within the confines of the

Commission's budget. Within these confines, the newest technology used by the Commission has been its web site. The Commission's Human Resource Manager, in coordination with the CIO, continues to upgrade the Commission's web site. As noted in the Commission's previous Accountability Reports, the web site includes all formal advisory opinions, summaries of all complaints resolved and a debtor's page of those individuals or business who have failed to pay late filing penalties or fines. All the Commission's forms can also be downloaded and printed from the web site. As a result, the Commission has not incurred any printing costs since September, 2000. Due to budget constraints, the Commission's newsletter is now only provided online. Additionally, minutes from the Commission's bi-monthly meetings are also available online. These efforts are directed at making the Commission's web site more user friendly, more responsive to the public's needs and more cost effective to the Commission, i.e. reduction in printing and postage costs.

The Commission's various measurements are not done on a day-to-day basis, but rather on a week-to-week and month-to-month based on the particular deadline. The Commission has a minimum of eight deadlines throughout the year with more during an election year. The Commission attempts to ensure full staffing during these deadlines in order to ensure timely auditing and timely production of documents for requesters. The Commission is in the business of managing the information provided in the various forms received, as well as the enforcement of the Ethics Reform Act.

Except for computer support and services the Commission does not have a key supplier, contractor or partner. The Commission meets yearly with the computer support and service providers to review the previous year's service in order to make any changes in the contract needed to fulfill the Commission's strategic goals.

Category 7 - Business Results

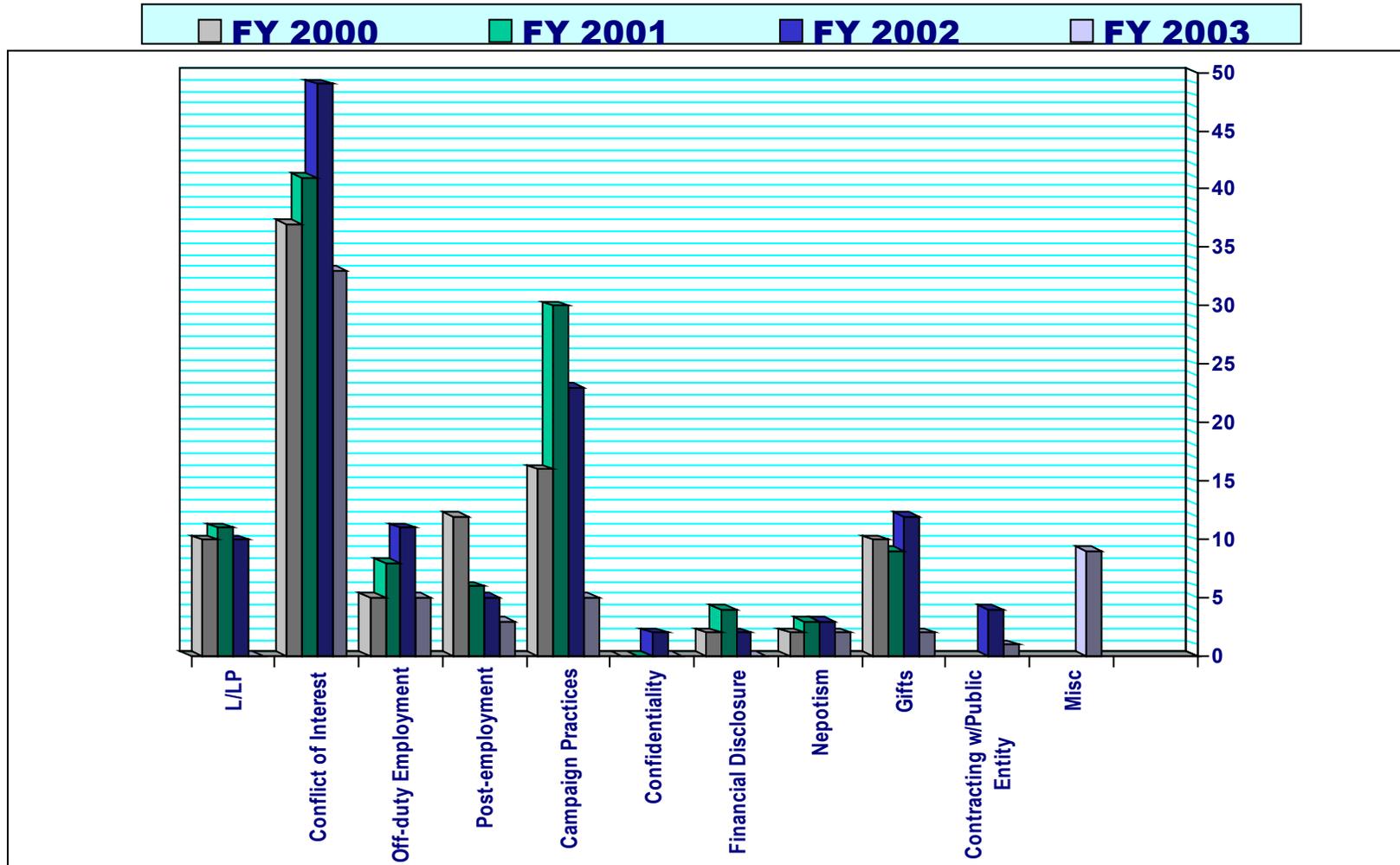
Performance levels and trends of customer satisfaction:

Training is essential to the four million residents of the State where approximately 231,000 citizens are engaged in government employment and approximately 10,000 are engaged in government service. As part of its public mission, the Commission feels that it is vital to educate public officials, public members, public employees and the general public regarding the standards of conduct and disclosure requirements of the Ethics Reform Act. Whenever possible, as personnel and resources are available, staff conducts training for its various customers throughout the state. Customers receiving training in FY 2003 included the following: public officials and public employees through the Municipal Association of South Carolina on two separate occasions; South Carolina School Board Association members; public employees at LLR, DDSN, DOR, DNR and procurement employees through MMO; public officials of the Anderson Municipal Association and approximately 50 members of the South Carolina Bar Association

Hand-in-hand with training is the advisory nature of the Commission's responsibility. The Commission advises its customers concerning the intricacies of the law through both informal and formal opinions. Staff answers in excess of 100 telephone inquires per month. The Commission's policy of issuing informal opinions provides more timely advice to its customers. This advice is based on prior opinions, decisions, and staff experience and interpretation of the statute. The Commission has established the objective of responding to all informal advisory opinions within seven to ten calendar days. This target is met approximately 95% of the time and when it cannot be met the requestor is informed of the delay and when to anticipate his opinion. Formal opinions are handled as expeditiously as possible at regularly scheduled Commission meetings. The advice given,

either written or verbal, provides information to the various customers of the Commission. A chart identifying the types of opinions issued follows.

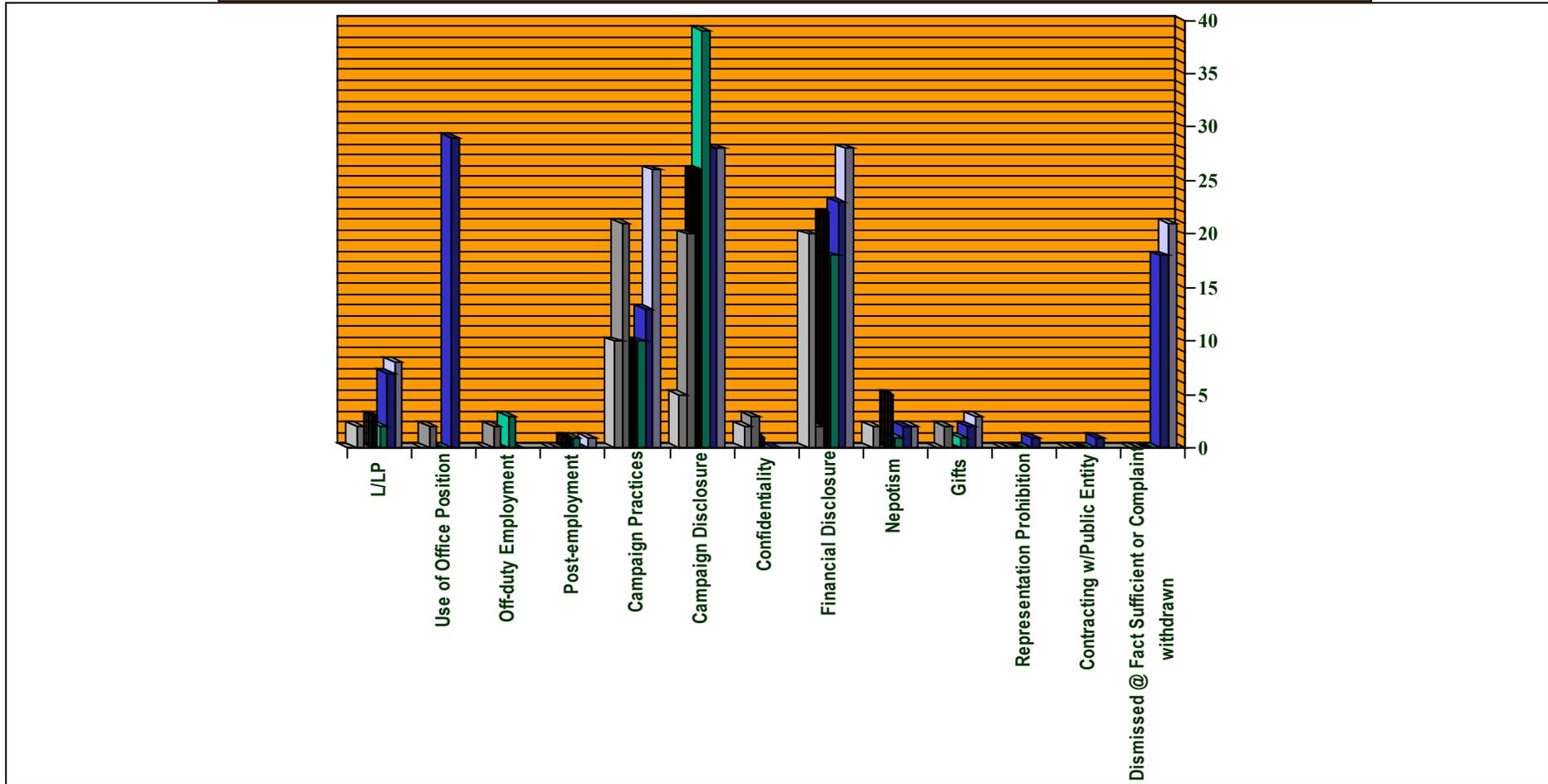
Advisory Opinions Issued



The Commission had committed more time to investigating alleged violations of the Ethics Reform Act, which is a key component of the Act and where the Commission's involuntary customers appear. The Commission's investigator has retired and he has returned as a part-time employee. Due to budget constraints, the Commission will attempt to manage with a part-time investigator for as long as possible. This budget decision will result in a back-log. A due process procedure is established in the statute and staff have worked to reduce the completion time from the receipt of a complaint to final disposition; however, this will obviously be affected by budget constraints. Non-compliance matters, from issuance of complaint to final disposition, take approximately four months. Other complaints' completion time are approximately six months.

Of the 96 complaints resolved in FY2003, 14 complaints were resolved by Consent Orders. Fines of \$3,782 were collected. Thirteen hearings were held and fines totaling \$31,200 were assessed. Twenty-one complaints were dismissed at the fact sufficient stage or for lack of probable cause. The remainder of the complaints proceedings were waived due to compliance or extenuating circumstances. A chart of the types of complaints filed over the last six years follows.

Complaints



In addition, the Commission collected \$63,070.00 in late filing penalties for failing to timely file Statement of Economic Interests, Campaign Disclosure Forms, and lobbyist and lobbyist's principal reports. The Department of Revenue's Set-off Debt program collected an additional \$12,343.42 in late filing penalties. The Commission continues to emphasize the timely enforcement of disclosure deadlines.

LEVELS OF PERFORMANCE

The report shows the current level of performance in the four key areas. They include:

	FY2003	FY2002	FY2001	FY2000	FY99	%Change from previous year
Complaints						
Received	138	124	144	107	54	11
Final Disposition	92	136	150	108	51	(32)
Pending	73	27	39	45	50	270
Forms						
Statement of Economic Interests	8970	8,410	8,683	9,588	8,378	6
Campaign Disclosure Form	4658	3,963	5,169	4,170	4,431	17
Lobbyist/Lobbyist's Principals' Registration & Reports	4527	4,349	4,786	4,717	5,856	4
Opinions						
Formal	6	12	6	11	7	(50)
Informal	54	121	105	117	128	(55)
Training						
Training Sessions Held	20	17	26	24	24	17
# Trained	961	954	1,600	1,398	904	1

The percentage changes from one year to the next are minimal regarding forms and training. They reflect activity over which the Commission has minimal control. Training is contingent on requests by public agencies, public office holders, and other interested groups, such as the Municipal Association of South Carolina and the South Carolina School Board Association. These request are obviously affected by the current economy. An increase in forms during a statewide election year is

expected.

Both formal and informal advisory opinions decreased and the percentage change was significant. Staff answered in excess of 100 telephone inquiries per month and conducted dozens of meetings with individuals in the office. Staff continued to reduce the response time in the issuance of informal advisory opinions and to publicize the availability of opinions on its website. The availability of advisory opinions on the Commission's web site has directly resulted in significant decrease of requests for written opinions. The advisory opinion index received approximately 175 hits per month. The City of Chicago Board of Ethic's key responsibilities mirror the four distinct responsibilities of the Commission: lobbying registration and disclosure; ethical rules of conduct; financial disclosure; and campaign practices and disclosure. The Board of Ethics in providing advice responds to inquiries (verbal responses) and cases (written responses). The Board of Ethics handled 1900 inquiries in FY2002 and 58 cases as opposed to 1260 inquiries and 92 cases by the Commission. The Board of Ethics' staff is slightly larger with 12 FTE's and its FY2002 budget significantly larger at over \$700,000.00.

A continued goal of staff was to reduce the backlog of non-compliance matters considering the amount of staff time that must be devoted to ensuring proper and timely reporting. When proper and timely disclosure does not occur then significant staff time is devoted to the administrative late-filing procedure, as well as the complaint and hearing process. A complaint is not filed simultaneously to a missed deadline, as the Commission by statute has an administrative late-filing penalty procedure which takes approximately two months to complete. This procedure begins immediately following a quarterly deadline and the annual financial disclosure deadline of April 15th. As the chart on page 22 illustrates, complaint matters relating to disclosure have remained the

largest percentage of complaint matters. The Commission received 138 complaints, of which 51 were related to disclosure, and resolved 92 complaints, of which 60 were related to disclosure. The Commission continues to meet its goal of timely prosecuting non-compliance matters to avoid a backlog.

During FY2003 those counties, municipalities and school districts who had not updated its entity lists were re-mailed the Statement of Economic Interests (SEI) package six weeks before the April 15th deadline. Those individual filers who had not filed as of March 15th received a postcard reminder. Staff diligently sought cost-effective ways to provide notice to those Public Officials, Public Members and Public Employees required to file SEIs and the increased forms filed reflect that diligence. Staff stressed in training and correspondence with municipalities, counties, school districts and other public entities, those individuals required under Section 8-13-1100 to annually file SEIs. The Kansas Governmental Ethics Commission enforces the Campaign Finance Act and State Governmental Ethics Law primarily on the state to include House Senate and Judicial and to a very limited extent on the local level. In FY2002, the Kansas Commission received 1201 campaign finance forms and 6171 financial disclosure forms. The Kansas Commission reported an enviable rate of 99% compliance with financial disclosure.

A slight increase occurred in lobbyists' and lobbyist's principals' registrations and disclosures. This increase can be attributed to increased lobbying during the final reporting period.

In FY2003, a total of 993 requests to review statements were filed and honored with the Commission, compared to 1,348 in FY2002, a decrease of 355 requests. Staff devotes a significant portion of each week to providing information in a timely manner to requesters. The new filing system, implemented in calendar year 2001, continues with the assistance of Richland County Pre-

trial Intervention participants. The volunteers have clocked approximately 1200 hours in the filing office, as well as making copies of forms and providing other secretarial services as needed. Staff could not have implemented the new filing system without the services of the volunteers. For those customers seeking current documents and those filed within the last four years, staff response time to locate the documents is minutes. Neither the City of Chicago nor the Kansas Board of Ethics report on Requests to Review.

The Commission again sought funds to implement the electronic filing of all documents received by the Commission. Electronic filing would allow for more timely filing; it would reduce incomplete filings; and it would reduce repetitive auditing of forms by staff. Electronic filing would provide almost immediate access to information to all Commission customers. This goal was not met due to budget cuts.

To follow is a review of the previous seven years of Commission activity. The one significant trend is the increase in the number of complaints received which is directly related to staff's goal of reducing the backlog on non-compliance matters through the complaint process.

Performance levels and trends to accomplish mission:

(1) Lobbyist Registration and Disclosure

The State Ethics Commission utilizes registration fees obtained from lobbyists and lobbyists' principals to administer this requirement. The registration fee doubled from \$50 to \$100 as a result of Proviso 65.3 for FY2003, and was codified during the 2003 legislative session. In FY2003, the State Ethics Commission received \$129,750.00 from these registration fees. The significant increase is a direct result of the 100% increase in fees.

Any person employed or retained to lobby for any person, group or business must register

with the Commission within fifteen days after being employed or retained. Further, the person, group, or business which employs or retains a lobbyist must register within fifteen days after such employment or retention. Registered lobbyists and lobbyist's principals are subject to strict restrictions on their activities while they are registered. Both the lobbyists and lobbyist's principals must file disclosures of income and expenditures by April 10, October 10, and December 31. Registrations and reports are audited and made available for public inspection. Registration and disclosure reports totaled 4527 in FY2003, a slight increase over FY2002. The Commission has very little control over these figures as they are dependent on legislative issues.

(2) Ethical Rules of Conduct

The Ethics Reform Act provides certain standards for public officials and public employees, centered around prohibitions against the use of the public position to affect the officeholder's or employee's economic interests, those of immediate family members, or businesses or individuals with whom the person is associated. These standards prohibit the misuse of public resources and confidential information, nepotism, revolving door contracts, receipt of compensation to influence official actions, and representation restrictions. Penalties for violations of the Act range from administrative penalties, including public reprimands and civil fines of up to \$2000 per violation, to criminal penalties ranging from \$5000 and one year in prison to \$10,000 and ten years in prison.

(3) Financial Disclosure

Certain public officeholders, to include all public officials, either elected or appointed; candidates; public members of state boards; chief administrative officials or employees, chief procurement officials or employees and chief finance officials or employees of political subdivisions must file a Statement of Economic Interests (SEI) at specified times to include an annual update by

April 15th. The Commission develops the reporting form; provides the form to required filers; receives and audits the filed reports; and makes those reports available for public inspection. In FY2003, approximately 8,970 SEIs were processed. Staff stressed in training and correspondence with municipalities, counties, school districts and other public entities those individuals required to annually file SEIs. During FY2003 those counties, municipalities and school districts who had not updated its entity lists were re-mailed the SEI package six weeks before the April 15th deadline. Those individual filers who had not filed as of March 15th received a postcard reminder. Staff diligently sought cost-effective ways to provide notice to those Public Officials, Public Members and Public Employees required to file SEIs and the increased forms filed reflect that diligence. Staff stressed in training and correspondence with municipalities, counties, school districts and other public entities, those individuals required under Section 8-13-1100 to annually file SEIs.

(4) Campaign Practices and Disclosure

Candidates and committees are required to file disclosure of their campaign finance activities. They are subject to contribution limitations, restricted use of campaign funds, and proper accountability. The Commission develops the reporting form; provides the form to required filers; receives and audits the filed reports; and makes those reports available for public inspection. In FY2003 approximately 4,658 campaign disclosure forms were received, audited and made available to the public. The Commission receives Campaign Disclosure Forms from the House Ethics Committee and the Senate Ethics Committee which are made available to the public. An increase in Campaign Disclosure Forms during an election is expected.

LEVELS OF PERFORMANCE-FY95 TO FY2003

	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03
COMPLAINTS									
Filed	15	18	37	49	54	107	144	124	138
Final Disposition	29	15	18	35	51	108	150	136	92
On Hand	15	17	33	47	50	45	39	27	73
ADVISORY OPINIONS									
Formal	15	6	6	13	7	11	6	12	6
Informal	172	240	296	292	128	117	105	121	54
FORMS									
Statement of Economic Interests	10,497	9,176	9,056	9,193	8,378	9,588	8,683	8,410	8,970
Campaign Disclosure Form	5,263	3,659	4,308	4,111	4,431	4,170	5,169	3,963	4,658
Lobbyist/ Lobbyist's Principal Registration & Reports	3,598	3,797	4,137	4,191	5,856	4,717	4,786	4,349	4,527
TRAINING SESSIONS									
Conducted	13	32	34	33	24	24	26	17	20
Participants	683	1,522	1,452	1,515	904	1,398	1,600	954	961

Performance levels and trends of employee satisfaction:

The Employee Performance Management System provides an opportunity for the Executive Director and the employee to make changes to employee responsibilities in line with ongoing strategic goals and to revise position descriptions to accurately reflect actual duties. The process encourages high performance by realigning the position description and evaluation documents with the actual job responsibility.

Performance levels and trends of supplier performance:

Not applicable.

Performance levels and trends of regulatory/legal compliance and citizenship:

Not applicable.

Current levels and trends of financial performance:

Since September, 2000, the Commission has ceased printing forms. All forms can be downloaded from the web site. Due to budget constraints, the Commission's newsletter is now only provided online. This results in a savings of materials, equipment use, personnel time and postage. Additionally, minutes from the Commission's bi-monthly meetings are also available online. These efforts are directed at making the Commission's web site more user friendly, more responsive to the public's needs and more cost effective to the Commission, i.e. reduction in printing and postage costs. Despite the significant budget cuts borne by the Commission, it has suffered no negative effect on its mission or reduction in program effectiveness.

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*If a chart or table does not appear, please refer to the Commission’s hard copy.