

STATE OF SOUTH CAROLINA )  
 ) BEFORE THE  
 ) SOUTH CAROLINA HOUSE ETHICS COMMITTEE  
COUNTY OF RICHLAND )

IN THE MATTER OF: )  
 )  
Complaint C2019-059 )  
 )  
Michael Kearney, Jr., )  
Respondent. )  
 )  
South Carolina House Ethics Committee, )  
Complainant, )  
\_\_\_\_\_ )

**CONSENT ORDER  
AND  
PUBLIC REPRIMAND**

**I. PRELIMINARY STATEMENT**

This Consent Order is entered into between the South Carolina House Ethics Committee (herein "Committee") and Michael Kearney, Jr. (herein "Respondent") in order to resolve the Committee's complaint In the Matter of C2019-059 into whether Respondent violated certain provisions of Chapter 13, Title 8 of the South Carolina Code of Laws (herein "the Act").

**II. FINDINGS OF FACT**

1. On or about January 1, 2019, the Committee staff identified Respondent as a potential candidate for the administrative closure of his campaign account due to a number of factors, including lack of activity, failure to file Campaign Disclosure Reports and Statements of Economic Interests, and failure to respond to written and oral correspondences from Committee staff.
2. Following Administrative Closure Protocol adopted by the Committee, Wells Fargo Bank was served a Subpoena Ducas Tecum dated February 26, 2019 to obtain relevant bank records from the campaign account of Respondent. Relevant documents were produced and delivered on or about March 13, 2019.
3. Based upon review of Kearney's bank statements, bank records, and campaign disclosures, the Committee staff believed that Respondent may have converted campaign funds to personal use, made impermissible cash withdrawals, failed to report campaign bank activity, and failed to file required Campaign Disclosure Reports and Statements of Economic Interests.
4. On or about March 29, 2019, the Committee referred the complaint to the State Ethics Commission regarding Respondent's conversion of campaign funds for personal use, and failure to: (1) close out campaign bank account, (2) file quarterly Campaign Disclosure Reports, and (3) file annual Statements of Economic Interests.
5. On or about November 22, 2019, the SEC having met, considered and duly investigated the Complaint against Respondent, issued a recommendation to the Committee for findings of probable cause, specifically for violations of Section 8-13-1308(B), Section 8-13-1348(A), Section 8-13-1348(C)(1) of the South Carolina Code of Laws.
6. On or about December 23, 2019, the Committee met and determined that there is competent and substantial evidence that violations of Chapter 13, Title 8 have occurred, and thus, concurred with the SEC's probable cause finding regarding the following: thirteen (13) counts of violating S.C. Code Section 8-13-

1308(B) for failing to file quarterly Campaign Disclosure Reports; twenty-three (23) counts of violating S.C. Code Section 8-13-1348(A) for using campaign funds for personal expenses; and three (3) counts of violating S.C. Code Section 8-13-1348(C)(1) for failing to use a written instrument, debit card, or online transfer to pay campaign expenses.

7. The Committee thereby deemed it appropriate to convene a formal public hearing on this matter.
8. The Committee's Probable Cause Finding and Notice of Public Hearing are incorporated herein and made a part hereof for all purposes as if fully set forth herein.
9. The Respondent acknowledges his desire to resolve this matter by Consent Order rather than by formal hearing before the Committee; and admits the allegations herein contained; and
10. This Consent Order is in the public interest.

### III. ORDER

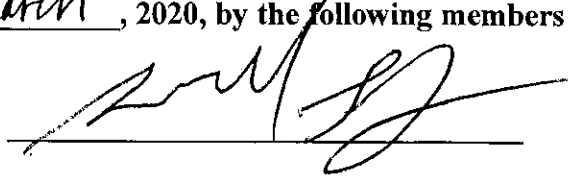
It is hereby ORDERED, and the Respondent expressly consents and agrees that:

- A. Respondent will immediately cease and desist from violating the Act;
- B. Respondent will repay to his campaign bank account the numerous personal expenditure he made using campaign funds, which total \$1,527,47 within thirty (30) days of this Consent Order.
- C. Respondent will correctly file all required campaign disclosure reports and statements of economic interests to include the January 2020 campaign disclosure report within thirty (30) days of this Consent Order.
- D. Respondent will file a final campaign disclosure report within thirty (30) days of this Consent Order, and any campaign funds left in the campaign bank account at that time will be donated either to the Children's Trust Fund or a charitable 501(c)(3), provided that the Respondent nor his family members have an economic interest in the charitable 501(c)(3).
- E. Within thirty (30) days of this Consent Order, Respondent will provide all bank records related to his campaign bank account to the House Ethics staff for final audit.
- F. The Committee agrees to reduce Respondent's fines for failure to file timely his campaign disclosure reports and statements of economic interests due to financial hardship to the total amount of \$500.00, which made be paid to the SC House Ethics Committee in 10 monthly payments of \$50.00 due the first of each month.
- G. The Committee agrees to remove Respondent from the GEAR and/or Setoff Debt Program, expressly reserving the right to reinstitute the GEAR and/or Setoff Debt Program if Respondent fails to comply with the payment terms set forth above.
- H. The Committee hereby issues a **Public Reprimand** to Respondent.

**AND IT IS SO ORDERED.**

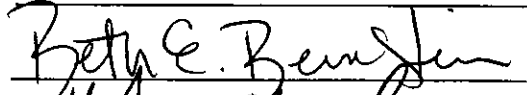
AND IT IS SO ORDERED, this 4<sup>th</sup> day of March, 2020, by the following members of the House Ethics Committee:

Rep. G. Murrell Smith, Jr, Chairman



Rep. J. David Weeks, Vice-Chairman

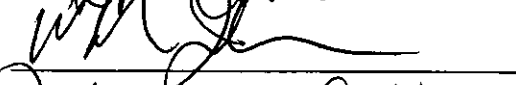
Rep. Beth E. Bernstein, Secretary



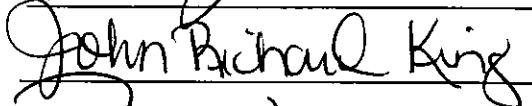
Rep. Heather Ammons Crawford



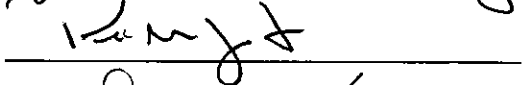
Rep. Wallace "Jay" Jordan, Jr.



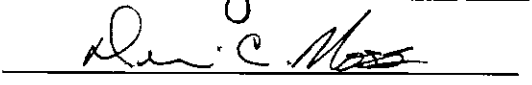
Rep. John Richard C. King



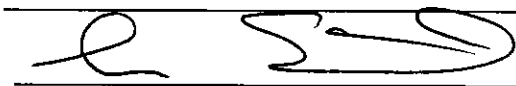
Rep. Peter M. McCoy, Jr.



Rep. Dennis C. Moss



Rep. J. Todd Rutherford



Rep. Leonidas E. "Leon" Stavrinakis

I consent to this Order, this 4<sup>th</sup> day of March, 2020:

Michael Kearney Jr (by his attorney)

**Michael Kearney, Jr.,**

Respondent

Dwayne M. Green

**Dwayne Green, Esq.**

Attorney for Respondent