

Senate Ethics Committee

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ADVISORY OPINION # 92-8

M E M O R A N D U M

To: Members, South Carolina Senate

From: Edward E. Saleeby

Re: Reporting of Business Interests Between Members and
Lobbyist's Principals

Date: June 25, 1992

A question has arisen concerning whether a member is prohibited from doing business with a lobbyist's principal.

The "Ethics, Government Accountability, and Campaign Reform Act of 1991" does not in any way¹ prohibit a member from entering into business relationships with a lobbyist's principal. Rather than prohibit normal business activity, the Act requires a member to disclose business conducted with a lobbyist's principal.

Section 8-13-710 requires a member to report the amount of "anything of value"² received from a lobbyist's principal on his Statement of Economic Interests Form. Section 8-13-1130 requires a member to disclose the name of each lobbyist's principal who has purchased goods or services in an amount in excess of two hundred dollars from the member, an immediate family member, an individual with whom the member is associated, or a business with which the member is associated.

¹ Section 8-13-705 does make it unlawful for any person to offer or promise anything of value to a member if the offer or promise is made with the intent to influence the member with regard to his official responsibilities.

² The definition of "anything of value" includes compensation for services, as well as any item that is of pecuniary or compensatory worth to any person. (Section 8-13-100(1)(a)).

Therefore, the Committee concludes that members must report the name of each lobbyist's principal and the amount of "anything of value" received from a lobbyist's principal which is not derived from a business relationship with the member. In a business setting, the Committee also concludes that a member must report the name of each lobbyist's principal and the amount of goods or services purchased from the member in excess of two hundred dollars.

Given the broad definitions of "business with which [a member] is associated" and "individual with whom [a member] is associated",³ the Committee further concludes that it does not matter whether the member does business in his own name, in a corporate name, in a partnership, or in the form of some other business entity.

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³ "Business with which [a member] is associated" means 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. "Individual with whom [a member] is associated" means 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 (Section 8-13-100(4)(21)).