STATE ETHICS COMMISSION

2016

ANNUAL REPORT

STATE ETHICS COMMISSION'S
ANNUAL REPORT TO THE
GOVERNOR & GENERAL ASSEMBLY

FOR THE YEAR ENDING DECEMBER 31, 2016

STATE ETHICS COMMISSION
1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324

Jane F. Finch, Chair
John E. Branch, Vice Chair

Perry Y. Newson, Executive Director

May 22, 2017

The Honorable Roy Cooper
Governor
20301 Mail Service Center
Raleigh, NC 27699-0301

The Honorable Tim Moore
Speaker, North Carolina House of Representatives
16 W. Jones Street, Room 2304
Raleigh, NC 27601-1096

The Honorable Phil Berger
President Pro Tempore, North Carolina State Senate
16 W. Jones Street, Room 2007
Raleigh, NC 27601-2808

Re: Ethics Commission's 2016 Annual Report

Dear Governor Cooper, Speaker Moore, & President Pro Tem Berger:

Pursuant to section 138A-10(11) of Chapter 138A (the State Government Ethics Act), the State Ethics Commission hereby submits its 2016 annual report on the Commission's activities and generally on the subject of public disclosure, ethics, and conflicts of interest.

Sincerely,

Jane F. Finch,
Chair

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PART I: THE STATE ETHICS COMMISSION

A. MISSION STATEMENT.

The State Ethics Commission's primary mission is to ensure that public officials covered by the State Government Ethics Act (Chapter 138A of the North Carolina General Statutes) "exercise their authority honestly and fairly, free from impropriety, threats, favoritism, and undue influence." The Commission is charged with ensuring that standards of ethical conduct and standards regarding conflicts of interest are adhered to by public officials. The Commission also ensures that lobbyists and lobbyist principals understand and comply with their duties and responsibilities under the Lobbying Law (Chapter 120C). The Commission accomplishes this mission through a combination of disclosure (transparency), education, advice, and enforcement.

B. AUTHORITY.

The State Government Ethics Act ("Ethics Act") and the Lobbying Law grant specific authority to the State Ethics Commission ("the Commission") for administering and enforcing those laws. Specifically, the Ethics Act designates the Commission as the "sole State agency with authority to determine compliance with or violations of [the Act] and to issue interpretations and advisory opinions under [the Act]." G.S. 138A-10(c). Those decisions and advisory opinions are binding on all other State agencies. Id.

The Lobbying Law grants specific authority to both the Commission and the Secretary of State. The Commission has the sole authority for interpreting the meaning and application of the Lobbying Law, including issuing advice and advisory opinions to persons affected by the Lobbying Law, and adopting rules interpreting the law.   The Commission also has sole authority over Article 3 (Prohibitions and Restrictions), Article

5 (Liaison Personnel), and Article 7 (Persons Exempted). The Secretary of State has the sole authority to adopt rules, orders, and forms necessary to administer the provisions of Article 2 (Registration), Article 4 (Reporting), and Article 8 (Miscellaneous Reporting).

The Ethics Act and the Lobbying Law establish a specific code of conduct for certain public officials and lobbyists and ensure transparency through various reporting requirements.

C. POWERS AND DUTIES.

The Commission's primary powers and duties are set out in G.S. 138A-10 and include:

- Administering the Statement of Economic Interest ("SEI") financial disclosure and evaluation process;
- Issuing advice and formal advisory opinions on the Ethics Act and the Lobbying Law;
- Adopting rules and advisory opinions interpreting the Lobbying Law and rules to administer the Ethics Act and Articles 3, 5, & 7 of the Lobbying Law;
- Educating public servants, legislators, and legislative employees on the ethics and lobbying laws, and educating lobbyists, lobbyist principals, and liaison personnel on the Lobbying Law; and,
- Investigating complaints.

The Commission is required to meet at least quarterly and at other times as called by the chair or four of its members. In 2016, the Commission held four meetings:

- February 12, 2016
- May 13, 2016
- August 12, 2016
- November 4, 2016.

The Commission's open session minutes for these meetings are available by contacting the State Ethics Commission at (919) 814-3600 or by e-mail at ethics.commission@doa.nc.gov.

D. ORGANIZATION.

MEMBERSHIP. The State Ethics Commission is made up of eight (8) members who serve in staggered four-year terms. Four members are appointed by the Governor, no more than two of whom may be of the same political party. Four members are appointed by the General Assembly: two upon recommendation of the Speaker of the House, neither of whom can be of the same political party; and two upon the recommendation of the President Pro Tempore of the Senate, neither of whom can be of the same political party.

On January 19, 2016, Governor Pat McCrory reappointed Jane F. Finch to the Commission for a term ending December 31, 2019. On January 28, 2016, Governor Pat McCrory appointed new member Andy Patrick Roberts to the Commission, his term also ending December 31, 2019. On December 29, 2016, Governor McCrory appointed John E. Branch III to the Commission to fill the unexpired term of George L. Wainwright, Jr., who resigned December 6, 2016, the term ending December 31, 2017.

Upon the recommendation of President Pro Tempore of the Senate, Phil Berger, Daniel J. Zeller was appointed to fill the unexpired term of Francis DeLuca, term ending December 31, 2016, and subsequently was appointed to a full four-year term on the Commission, effective January 1, 2017, and expiring December 31, 2020.

Likewise, upon the recommendation of Speaker of the House, Tim Moore, Robert L. Moseley, Jr. was reappointed to a full four-year term, effective January 1, 2017, and expiring December 31, 2020.

The Governor appoints a member of the Commission to serve as chair. Upon the resignation of Chairman George L. Wainwright, Jr., Governor Pat McCrory appointed John E. Branch III to serve in that role on December 29, 2016, for a term expiring December 31, 2017.

Commission members elect a vice-chair annually from its membership. On February 12, 2016, the Commission elected Jane F. Finch to serve as vice-chair. Ms. Finch has served as vice-chair for the Commission since it began in January 2007.

The following chart reflects the membership of the Commission as of December 31, 2016:

First Name	Last Name	Appointing Authority	Term End	Party
William	Farthing	Gov	12/31/17	D
John	Branch	Gov	12/31/17	R
Clarence	Newsome	Senate	12/31/18	D
Tommy	McKnight	House	12/31/18	D
Jane	Finch	Gov	12/31/19	D
Patrick	Roberts	Gov	12/31/19	R
Daniel	Zeller	Senate	12/31/20	R
Robert	Moseley	House	12/31/20	R

STAFF. The Commission is staffed by an Executive Director, an Assistant Director, four staff attorneys, three paralegals, and four administrative positions. The staffing changes in 2016 were:

- Administrative Assistant Brenda Covert was hired in March 2016 to assist with work in the SEI Unit;
- Administrative Assistant Dorothy Benz was also hired in March 2016 to assist with work in the Education and Complaints Units.

E. BUDGET.

While the Commission operates on a fiscal year budget cycle, at the end of 2016, the Commission's certified budget was approximately $2.1 million. The Commission's enacted budget in 2016 was $1.2 million as in previous years, but during the short session, the Commission received an increase of almost $880,000. The increase was provided to evaluate, plan and complete major technological upgrades to the

Commission’s SEI database and online filing system, website, and online ethics and lobbying education program.

In general, nearly 95% of the Commission’s recurring budget is for personnel costs (personal services), and non-negotiable information technology (ITS) charges account for over $50,000 (approximately 50% of the remaining non-personnel costs).

PART II: 2016 LEGISLATIVE CHANGES

For the first time since the Ethics Commission’s creation, the main 2015-2016 legislative session yielded no changes to the substantive requirements of the Ethics Act or the Lobbying Law. The Commission’s proposed amendments to the Ethics Act and Lobbying Law failed to advance, although they did pass the House in the form of HB 1055.

However, during the 2016 Fourth Special Session, the General Assembly ratified Senate Bill 4 (now Session Law 2016-125), which was signed by the Governor on December 16, 2016. SL 2016-125 created the “Bipartisan State Board of Elections and Ethics Enforcement” (“BSBEEE”) effective January 1, 2017. That legislation eliminates the State Board of Elections and the Ethics Commission and transfers to the BSBEEE the authority to administer the State’s ethics and elections laws and a portion of the Lobbying Law, recodified into new G.S. Chapter 138B. In addition, all of the appropriations and resources of the Commission and the State Board of Elections is transferred to the BSBEEE, effective January 1, 2017. The appropriations and resources of the lobbying registration and enforcement functions of the the Secretary of State’s office is transferred to the BSBEEE effective October 1, 2017.

For an initial six-month period SL 2016-125 transfers the members and the Chair and Vice-Chair of the Ethics Commission serving as of December 30, 2016, to the

BSBEEE. The legislation further provides that effective July 1, 2017, eight new members of the BSBEEE shall take office, four appointed by the Governor, two by the Speaker, and two by the President Pro Tempore.

On December 30, 2016, then Governor-Elect Cooper filed a Complaint challenging the constitutionality of SL 2016-125. On January 6, 2017, a three-judge panel issued a preliminary injunction providing that during the pendency of that litigation the provisions of the Ethics Act and the Elections and Lobbying Laws would remain in effect as they were prior to SL 2016-125's passage and enjoining the parties from taking any action to implement SL 2016-125. As of the finalization of this report, that injunction remains in effect.

PART III: THE COMMISSION'S ACTIVITIES

A. DESIGNATION OF ADDITIONAL COVERED BOARDS.

BACKGROUND. The Ethics Act covers State boards and commissions that are created by statute or executive order, non-advisory in nature, and designated as covered by the State Ethics Commission. G.S. 138A-3(1c). The Commission applies the criteria found in 30 NCAC 02 .0101, Non-Advisory Boards, to determine if a board is non-advisory.

Staff is authorized to apply the criteria to all new boards to develop a recommendation as to whether the board should be covered by the Ethics Act. This process is non-adversarial, and any board wishing to contest staff's recommendation may appear before the Commission. In addition, the General Assembly can mandate coverage for boards or other entities that would be deemed "advisory" and thus not covered under the Ethics Act.

2016 COVERED BOARDS. In 2016, the Commission reviewed four (4) boards to determine if they met the stated coverage criteria. The Commission voted to designate the following two (2) boards as non-advisory thereby covering those boards and their members under the Ethics Act:

1. Underground Damage Prevention Review Board;
2. Outdoor Heritage Advisory Council.

The Commission determined the remaining two (2) boards were either advisory or non-state boards and therefore should not be covered by the Ethics Act:

1. Governor's Task Force on Mental Health and Substance Use;
2. North Carolina Health Information Exchange Advisory Board.

In total, two new boards or commissions were covered in 2016, resulting in 28 newly covered individuals who are required to file statements of economic interest and take the mandatory ethics training course.

B. STATEMENT OF ECONOMIC INTEREST (SEI) FILINGS.

BACKGROUND. The Ethics Act requires most "covered persons" (public servants[1], legislators, and judicial officers[2]), as well as candidates for any of these offices that are elected, to file a Statement of Economic Interest ("SEI") disclosing certain financial, professional, familial, and personal information. The Technical Advisory Committee ("TAC") members of local transportation entities ("MPOs/RPOs") and their alternates are required to file both an SEI and a real estate disclosure form ("RED").

The SEI must be filed prior to the covered person's initial appointment, election, or employment and no later than April 15th of every year thereafter. Earlier dates apply

[1] "Public servant" is defined in G.S. 138A-3(30).

[2] "Judicial officers" includes justices, judges, district attorneys, and clerks of court.

to candidates. Certain public servants whose compensation from the State is less than $60,000 per year and voting student members of community college and university boards of trustees do not have to file an SEI.[3]

The Commission must prepare an evaluation of public servants' and MPO/RPO members' SEIs in order to identify any actual or potential conflicts of interest between their private interests and their public duties. In most cases, the public servant's initial SEI must be evaluated prior to the individual assuming his or her public position. However, university and community college officers and trustees may assume their public position prior to the SEI evaluation. Beginning July 1, 2013, the Commission established a biennial cycle for evaluating most SEIs. The Ethics Act does not require the Commission to prepare evaluations for legislators, judicial officers, and candidates.

Finally, the Commission may impose penalties for late or non-filing. Within 30 days after the due date, the Commission must notify persons who have either failed to file or filed an incomplete SEI. The person then has 30 days to complete the SEI or be subject to a $250 fine. Failure to complete the SEI within 60 days of initial notice by the Commission is a violation of the Ethics Act, and the person may be removed from his or her public position. More than 7300 SEIs were filed in 2016. Of those, 6600 were filed electronically through the Commission's website.

SEI STATISTICS. The 2016 SEI filing statistics are as follows:

Total Number of SEI Filers (includes candidates, but not MPO/RPO filers)	Approximately 5800
Number receiving a 30 day letter for failure to file or incomplete filing	484
Number receiving a 60 day letter for failure to file or incomplete filing	50

[3] Most are, however, subject to all other applicable provisions of the Ethics Act.

Number assessed $250 fine	40
Number of appeals from fine*	4
Number recommended for removal	1

*All appellants withdrew their appeals.

The 2016 SEI filing statistics for MPO/RPO filers are as follows:

Number of SEI Filers	Approximately 600
Number receiving a 30 day letter for failure to file or incomplete filing	37
Number receiving a 60 day letter for failure to file or incomplete filing	7
Number assessed $500 fines	3
Number reported to the SBI	2
Number of appeals from fine*	1
Number recommended for removal	0

*This appeal was dismissed.

C. EDUCATION.

BACKGROUND. Both ethics and lobbying education are required by the ethics and lobbying laws. Public servants and ethics liaisons in the executive branch must complete the Commission's ethics education and lobbying awareness education training within six months of election, appointment, employment, or notification that the individual's board has been designated as a covered board. They must also complete refresher education training at least every two years thereafter. The Commission also offers lobbying education and awareness programs to lobbyists and liaison personnel (State agency legislative liaisons and local government legislative liaisons); however, attendance at a lobbying education presentation is not mandatory. The Commission conducts at least one live lobbying education program per year, usually prior to commencement of the General Assembly's legislative session that year.

Legislators must attend an ethics education and lobbying awareness training program within either two months of the convening of the General Assembly to which the legislator is elected or two months after the legislator's appointment, whichever is later. Legislative employees must complete an education training program within three months of employment and complete a refresher training program at least every two years thereafter. Currently, over 5,500 individuals are required to complete ethics education and lobbying awareness training.

Judicial officers are not required to complete the Commission's ethics education and lobbying awareness training program unless they are also serving in a public servant position (*e.g.*, appointed to a covered board).

The Commission also provides education and training regarding the completion and filing of SEIs and real estate disclosure forms (RED) to the Technical Advisory Committee (TAC) members of Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs). This education and training has been provided by live presentations and webinars. In 2016 the Education Unit presented SEI and RED education and training to TAC members and TAC coordinators at the first quarter meetings of the North Carolina Association of RPOs and the North Carolina Association of MPOs. This training is encouraged but not mandatory.

2016 EDUCATION OPTIONS. Ethics education and lobbying awareness training is provided by live presentations, video streaming via the North Carolina Research and Education

Network (NC-REN), and an online program. Most live sessions originate in Raleigh. Some are stand-alone programs; others are broadcast live to sites across the State (primarily on university campuses) via NC-REN. The Commission tries to ensure geographic balance when scheduling presentations. The Commission also offers the mandatory ethics education and lobbying awareness training online, via the Commission's website.

2016 ETHICS EDUCATION PRESENTATIONS.

Public Servants & Others in the Executive Branch.[4]

Live Programs Offered	Locations[5]	Total Attendees
13	40	404
Online Participants		1990
TOTAL PARTICIPANTS		2394

Legislators.

Programs Offered	Locations	Total Attendees*
6	6	10

***Only new legislators required training in 2016.**

Legislative Employees.

Online Participants	273

[4] Includes public servants and ethics liaisons whose attendance is mandatory, as well as other employees who are not covered by the Ethics Act but who attend voluntarily or at the direction of their supervisors.

[5] Includes both Raleigh and distance locations served by the same program.

Lobbyists & Lobbyist Principals.

Programs Offered	Locations	Total Attendees
1	1	21

MPO and RPO TAC Members.

Programs Offered	Locations	Total Attendees
2	2	27

Others.[6]

Programs Offered	Locations	Total Attendees
4	4 (all live)	66

Total Number of Individuals Educated in 2016	2791

NEWSLETTERS. The Ethics Act requires the Commission to publish newsletters periodically. In addition, the Lobbying Law requires the Commission to publish an annual lobbying newsletter containing summaries of advisory opinions.

In 2016, the Commission published five (5) newsletters on a variety of topics. The Commission's newsletters can be found on its website at: http://www.ethicscommission.nc.gov/News/newsArchive.aspx.

EDUCATION COMPLIANCE AND ENFORCEMENT. In 2016, the Commission continued its audit of public servants' compliance with the education requirement. The ultimate goal of the audit process is to achieve full education compliance.

[6] Includes informational programs concerning the Ethics Commission or the ethics and lobbying laws but are not intended to satisfy the statutory education requirements (*e.g.*, continuing legal education presentations; college courses; international visitors' groups).

The Commission also continued to research and discuss the process with which to pursue education enforcement, if such was deemed necessary, and it determined that the current internal resources to properly implement a timely and successful enforcement plan were available.

The audits completed in 2016 were very successful, achieving 99% voluntary compliance in the target groups. At the end of the voluntary compliance time period, only six of the 688 individuals audited remained past due. The Commission determined that it needed to include education compliance enforcement procedures as part of its education compliance plan for public servants to address the few who remained non-complaint.

Accordingly, in November the Commission adopted the Education Compliance Enforcement Procedures for Public Servants ("Enforcement Procedures"). These Enforcement Procedures merged the voluntary education compliance process with an education compliance enforcement process pursuant to G.S. 138A-45. The Commission commenced a new audit in late 2016 applying the Enforcement Procedures. If 100% education compliance cannot be obtained through the voluntary compliance process of the Enforcement Procedures, then the enforcement process of the Procedures will be pursued against those who remain non-compliant.

D. ADVICE & ADVISORY OPINIONS.

BACKGROUND. The Ethics Act and Lobbying Law authorize Commission staff to issue informal advice, both written and oral, and the Commission to issue formal written advisory opinions on specific issues regarding the meaning and applicability of the Ethics Act and the Lobbying Law. Advice and formal advisory opinions relate to an individual's duties and responsibilities under the Ethics Act in specific circumstances, including advice concerning the gift ban, conflict of interest standards, Statement of Economic Interest disclosure obligations, and other requirements of the Ethics Act.

Advice and formal advisory opinions interpreting the Lobbying Law address lobbyist and lobbyist principal registration, expenditure and payment reporting requirements, and the gift ban applicable to registered lobbyists, lobbyist principals, and liaison personnel. Advice and formal advisory opinions also address other restrictions including the six-month "cooling off" period applicable to legislators, the Governor's Cabinet, Council of State members, and former State employees, and the miscellaneous reporting requirements applicable to persons otherwise exempted from the Lobbying Law.

Individuals who may request advice concerning the Ethics Act include public servants, legislative employees, individuals responsible for supervising or appointing a public servant or legislative employee, legal counsel, and ethics liaisons. Legislators may also request advice concerning the Ethics Act and certain provisions of the Legislative Ethics Act. The Commission and its staff is also authorized to issue formal and informal advice to judicial officers, but only concerning the Statement of Economic Interest disclosure requirements. The Commission will, however, provide guidance to judicial officers regarding additional obligations imposed by the Ethics Act. Anyone affected by the Lobbying Law, including lobbyists, lobbyist principals, and liaison personnel, may also request advice. Finally, the State Auditor may request an advisory opinion on specific questions involving the meaning and application of the Ethics Act, certain provisions of the Legislative Ethics Act, or the Lobbying Law.

Requests for advice must relate to real or reasonably anticipated facts or circumstances. All requests for advice and advisory opinions, advice and advisory opinions given, and related information are confidential and may not be disclosed without the permission of the requester. However, formal advisory opinions concerning the Lobbying Law must be provided to the Secretary of State's office.

Generally, a formal written advisory opinion issued by the Commission gives the requester immunity from investigation by the Commission, adverse action by the requester's board or agency, and investigation by the Secretary of State. However, a formal advisory opinion from the Commission does not grant immunity for violations of the criminal law in the performance of the individual's official duties. Informal advice issued by Commission staff does not grant immunity. The Commission publishes redacted formal advisory opinions on its website within 30 days of issuance. These opinions can be found under "Advisory Opinions" on the Commission's website.

The Commission also issues recommended formal advisory opinions to legislators. However, those opinions are transmitted to the Legislative Ethics Committee (LEC), which has sole authority to issue formal advice to legislators. Until the LEC issues its opinion, a legislator who relies on a recommended formal advisory opinion is immune from investigation by the Commission or the LEC (unless it involves an alleged violation of criminal law in the performance of the legislator's official duties), adverse action by the house of which the legislator is a member, and investigation by the Secretary of State.

ADVICE & FORMAL ADVISORY OPINION STATISTICS.

2016 Formal Advisory Opinions

Lobbying	0
Ethics	2
Total Formal Advisory Opinions Issued	2
Total "Guidance" Letters Issued to Judicial Officers	1

2016 Informal Advice (Ethics & Lobbying)

Requests for Informal Advice or Guidance	538

E. COMPLAINTS.

ETHICS COMPLAINTS. The Commission has a statutory mandate to investigate complaints alleging unethical conduct by covered persons and legislative employees. The Commission must conduct inquiries sufficient to either dismiss the complaint for a lack of probable cause or hold a hearing for public servants. For legislators, legislative employees, and some judicial officers, the complaint is referred to the appropriate authority after a finding of probable cause. Allegations against judges that involve the Code of Judicial Conduct must be referred to the Judicial Standards Commission without investigation.

The Commission uses a panel system to expedite the resolution of ethics complaints. The panels consist of two Commission members, each from different political parties. The panel first determines, through a preliminary inquiry, whether the complaint *alleges* sufficient facts to conduct a further inquiry into the charges (PI Panel). If the complaint does not allege sufficient facts, it is dismissed or additional information is requested. If sufficient facts are alleged, staff conducts an investigation, and its findings are then presented to the same panel for a probable cause determination. If the PI Panel members cannot agree at the preliminary inquiry stage as to whether the complaint alleges facts sufficient to constitute a violation, then the matter proceeds to an investigation. Similarly, if the panel members disagree on the probable cause determination, then the complaint proceeds to the Commission for the probable cause determination, with the panel members recusing themselves from voting.

If the Probable Cause Panel finds no probable cause, the complaint is dismissed and reported to the Commission at the next meeting. If the Panel finds probable cause, public servants are entitled to a public hearing before the Commission. The Commission also has the authority to settle complaints involving public servants.

Other than for SEI filing violations, the Commission cannot assess a civil penalty for Ethics Act violations. Also, other than providing false information or for failing to disclose information on an SEI, there are no criminal penalties for violations of the Ethics Act.

For legislators, if probable cause is found, the complaint is referred to the Legislative Ethics Committee. For judicial officers, if probable cause is found, the complaint is referred to the appropriate entity; however, allegations of violations of the Code of Judicial Conduct *must* be referred to the Judicial Standards Commission without investigation. If probable cause is found involving a complaint against a legislative employee, the complaint is referred to the General Assembly. Ethics Act complaints and all records associated with them are generally confidential.

LOBBYING COMPLAINTS. The Commission shares enforcement responsibility for the Lobbying Law with the Secretary of State. Similar to the Ethics Act complaint process, a panel is used to screen complaints. Complaints and other records associated with them are confidential.

The Commission may assess a civil penalty for violations of the Lobbying Law. Violations of certain portions of the Lobbying Law, including the gift ban, also have a criminal penalty. Apparent criminal violations must be referred to the District Attorney for possible prosecution.

COMPLAINT AND INVESTIGATION STATISTICS.

2016 Ethics Complaints

Type of Matter	Explanation/Statute	Number
Carried forward from 2015		1
Complaints	Total complaints received	172
Inquiries	Contacted Commission but no complaint processed	189
Miscellaneous	Commission copied on complaints to other agencies or departments	45
	Total	407
Of the Total Ethics Complaints:		
Filed/Accepted (Preliminary Inquiry Panel)	Those meeting all threshold statutory requirements for a preliminary inquiry to be conducted	34
Referred under 138A-12(b)	Referred from State Auditor	0
	Referred from other state agencies	0
	Referred to Judicial Standards Commission	19
Dismissed under 138A-12(c)(4)	Frivolous, bad faith, duplicative, or handled more appropriately by other agencies, or pending elsewhere	0
Dismissed under 138A-12(f)	After preliminary inquiry (insufficient facts alleged)	30
Dismissed under 138A-12(h)	Dismissed for lack of probable cause	1
Referred for criminal prosecution under 138A-12		0
Referred for appropriate action under 138A-12(h) or 138A-12(k)(3)	Referred after determination of probable cause; or violation established by clear & convincing evidence after a hearing	0
Referred to SBI under 136-200.2(j) or 136-211(j)		0
Complaints pending action by the Commission		4
Age of Complaints pending action by the Commission (As of 12/31/16)		3 months
		3 months
		1 month
		12 days

2016 Lobbying Complaints

Complaint	Explanation/Statute	Number
Carried forward from 2015		0
Received Complaints	Total complaints received	4
Filed/Accepted	Those meeting all threshold statutory requirements/accepted for investigation	2
Dismissed		0
Settled		0
Referred to Secretary of State		2
Referred for criminal prosecution		0
Complaints pending action by the Commission		2
Age of Complaints pending action by the Commission		5 months
		2 months

F. OTHER MAJOR ACCOMPLISHMENTS.

As noted in the budget section above, the Commission received roughly $870,000 for much-needed technology upgrades. Commission staff has worked with staff from the Department of Information Technology (DIT) to conduct a full-scale review of our various databases and technological platforms to provide a needs assessment. That task was completed in early November 2016 and we are now conducting a review to define the work-flow requirements of a new SEI database and electronic SEI filing system. In addition, DIT is analyzing various case management platform options to determine which one would best meet our needs. The goal is to have a new SEI database and online filing system for 2018.