

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)
IN THE MATTER OF:)
COMPLAINT C2019-079)
Larry Price,)
Complainant,)
Chad E. Price,)
Respondent.)

BEFORE THE STATE ETHICS COMMISSION

CONSENT ORDER

This matter comes before the State Ethics Commission (Commission) by way of a Complaint filed on July 17, 2019. Pursuant to Section 8-13-320(10)(i) of the South Carolina Ethics, Government Accountability, and Campaign Reform Act (Ethics Act), the Complaint against Chad E. Price (Respondent) was considered by the Commission and probable cause was found to warrant an evidentiary hearing on fifteen (15) violations of Section 8-13-1314 for making excessive contributions as described herein. Prior to the call of the case, Respondent agreed to entry of the following:

STATEMENTS OF FACT

1. In 2018, Henry McMaster (McMaster) was a candidate for South Carolina Governor. McMaster participated in a primary election on June 12, 2018, a primary runoff election on June 26, 2018, and a general election on November 6, 2018.
2. In 2018, Alan Wilson (Wilson) was a candidate for South Carolina Attorney General. Wilson participated in a primary election on June 12, 2018, a primary runoff election on June 26, 2018, and a general election on November 6, 2018.
3. Respondent made the following contributions in his own name to the campaigns of McMaster and Wilson leading up to the 2018 primaries, run-offs, and general elections:

	Date	Amount	Election Cycle
1	March 16, 2017	\$3,500.00	McMaster – Primary

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2	December 7, 2017	\$3,500.00	Wilson – Primary
3	June 25, 2018	\$3,500.00	McMaster – Primary Runoff
4	June 26, 2018	\$3,500.00	Wilson – Primary Runoff
5	October 23, 2018	\$3,500.00	Wilson – General

4. In addition to the contributions listed in Paragraph Three (3), Respondent made contributions in the names of businesses as follows:

	Date	Amount	Election Cycle	Business Name
1	July 1, 2017	\$3,500.00	McMaster – Primary	Raleigh Tune & Lube-Speedee Oil
2	July 1, 2017	\$3,500.00	McMaster – Primary	Sans Pareil, LLC
3	July 1, 2017	\$3,500.00	McMaster – Primary	Element Service Group, LLC
4	October 1, 2017	\$3,500.00	McMaster – Primary	Raleigh Tune & Lube ¹
5	June 25, 2018	\$3,500.00	McMaster – Primary Runoff	Element Service Group, LLC
6	December 7, 2017	\$3,500.00	Wilson – Primary	Mako Medical Laboratories, LLC

¹ During the Commission investigation, Commission Investigators found that “Raleigh Tune & Lube” and “Raleigh Tune & Lube/Speedee Oil” were the same corporation. On February 14, 2020, based on information obtained from the Commission, the McMaster campaign refunded \$3,500.00 to the credit card used to make these contributions, which belonged to Respondent. Subsequently, Commission Investigators obtained Respondent’s bank records, which revealed all of the contributions enumerated in Paragraph Four (4) derived from the same credit card. Since that time, the McMaster and Wilson campaigns have refunded each of the contributions enumerated in Paragraph Four (4).

7	December 7, 2017	\$3,500.00	Wilson – Primary	Mako Genomics, LLC
8	December 7, 2017	\$3,500.00	Wilson – Primary	Element Service Group, LLC
9	December 7, 2017	\$3,500.00	Wilson – Primary	Bynum Properties 3, LLC
10	December 7, 2017	\$3,500.00	Wilson – Primary	Raleigh Tune & Lube II, Inc.
11	June 26, 2018	\$3,500.00	Wilson – Primary Runoff	Sans Pariel, LLC
12	October 23, 2018	\$3,500.00	Wilson – General	Element Service Group, LLC
13	October 23, 2018	\$3,500.00	Wilson – General	Mako Medical Laboratories, LLC
14	October 23, 2018	\$3,500.00	Wilson – General	Mako Genomics, LLC
15	October 23, 2018	\$3,500.00	Wilson – General	Bynum Properties 3, LLC

5. Respondent initially maintained through counsel that he had recouped the funds he used to make these contributions through regular distributions from the corporations - an indirect reimbursement. However, Respondent subsequently admitted through counsel that no actual direct reimbursements occurred. Respondent further admitted, and the Commission investigation confirmed, that all the above-referenced contributions were made from his personal credit card.
6. The Complaint filed against Respondent alleged that Respondent improperly contributed to the Wilson and McMaster campaigns. Aside from the charges discussed herein, the Commission did not find sufficient evidence to support the remaining allegations in the Complaint.

CONCLUSIONS OF LAW

Based upon the Statements of Fact, the Commission concludes, as a matter of law:

1. Section 8-13-1300(25) defines "person" as:

an individual, a proprietorship, firm, partnership, joint venture, joint stock company, syndicate, business trust, an estate, a company, committee, an association, a corporation, club, labor organization, or any other organization or group of persons acting in concert.

2. At all times relevant, Respondent was a person contributing to candidates in South Carolina elections pursuant to Section 8-13-1300(25). Therefore, the Commission has personal and subject matter jurisdiction.

3. Section 8-13-1300(7) defines "contribution," in relevant part, as:

a gift, subscription, loan, guarantee upon which collection is made, forgiveness of a loan, an advance, in-kind contribution or expenditure, a deposit of money, or anything of value made to a candidate or committee to influence an election; or payment or compensation for the personal service of another person which is rendered for any purpose to a candidate or committee without charge, whether any of the above are made or offered directly or indirectly.

4. Section 8-13-1300(10) defines "election cycle" as:

the period of a term of office beginning on the day after the general election for the office, up to and including the following general election for the same office, including a primary, special primary, or special election; however, the contribution limits under Section 8-13-1314 and 8-13-1316 apply only to elections occurring on or after January 1, 1992, and are for each primary, runoff, or special election in which a candidate has opposition and for each general election. If the candidate remains unopposed during an election cycle, one contribution limit shall apply.

5. Section 8-13-1314 provides, in relevant part:

(A) Within an election cycle, a candidate or anyone acting on his behalf shall not solicit or accept, and a person shall not give or offer to give to a candidate or person acting on the candidate's behalf:

(1) a contribution which exceeds:

(a) three thousand five hundred dollars in the case of a candidate for statewide office; or

(b) three thousand five hundred dollars in the aggregate for statewide candidates elected jointly pursuant to Section 8, Article IV of the South Carolina Constitution, 1895; or

(c) one thousand dollars in the case of a candidate for any other office;

DISCUSSION

The Commission found probable cause to charge Respondent with fifteen (15) counts of violating

Section 8-13-1314 for making the following excessive contributions:

- (1) \$3,500.00 to the McMaster Primary Election Cycle on July 1, 2017, in the name of Raleigh Tune & Lube/Speedee Oil;
- (2) \$3,500.00 to the McMaster Primary Election Cycle on July 1, 2017, in the name of Sans Pariel, LLC;
- (3) \$3,500.00 to the McMaster Primary Election Cycle on July 1, 2017, in the name of Element Service Group, LLC;
- (4) \$3,500.00 to the McMaster Primary Election Cycle on October 1, 2017, in the name of Raleigh Tune & Lube;
- (5) \$3,500.00 to the McMaster Primary Runoff Election Cycle on June 25, 2018, in the name of Element Service Group, LLC;
- (6) \$3,500.00 to the Wilson Primary Election Cycle on December 7, 2017, in the name of Mako Medical Laboratories, LLC;
- (7) \$3,500.00 to the Wilson Primary Election Cycle on December 7, 2017, in the name of Mako Genomics, LLC;
- (8) \$3,500.00 to the Wilson Primary Election Cycle on December 7, 2017, in the name of Element Service Group, LLC;
- (9) \$3,500.00 to the Wilson Primary Election Cycle on December 7, 2017, in the name of Bynum Properties 3, LLC;
- (10) \$3,500.00 to the Wilson Primary Election Cycle on December 7, 2017, in the name of Raleigh Tune & Lube II, Inc.;
- (11) \$3,500.00 to the Wilson Primary Runoff Election Cycle on June 26, 2018, in the name of Sans Pariel, LLC;
- (12) \$3,500.00 to the Wilson General Election Cycle on October 23, 2018, in the name of Element Service Group, LLC;
- (13) \$3,500.00 to the Wilson General Election Cycle on October 23, 2018, in the name of Mako Medical Laboratories, LLC;
- (14) \$3,500.00 to the Wilson General Election Cycle on October 23, 2018, in the name of Mako Genomics, LLC; and
- (15) \$3,500.00 to the Wilson General Election Cycle on October 23, 2018, in the name of Bynum Properties 3, LLC.

Within an election cycle, a person is entitled to contribute up to \$3,500.00 to a statewide candidate

such as Governor or Attorney General. For purposes of computing contribution limits, two separately incorporated corporations are different “persons” when they have distinct and separate business purposes. See SEC AO95-005 (November 16, 1994). However, in this case, the corporations did not make the contributions—Respondent did, using his own personal credit card for each contribution. Through this Consent Order, Respondent acknowledges he violated the Ethics Act when he made each of these fifteen (15) contributions. In mitigation, Respondent states that he spoke with “Rebecca,” a representative from the Wilson campaign in or around the time of the aforementioned contributions. According to Respondent, Rebecca informed him that it was permissible for each corporation to make a separate contribution.² From that, Respondent inferred that the method he made the contributions was permissible.

DISPOSITION

1. The Commission hereby finds Respondent in violation of fifteen (15) counts of Section 8-13-1314.
2. The Commission hereby adopts the Statements of Fact, Conclusions of Law, Discussion, and Disposition as agreed upon by the Respondent.

THEREFORE, the Commission hereby orders the Respondent to pay the Commission, within sixty (60) days from receipt of this Order, a reduced civil penalty of twenty thousand dollars (\$20,000.00) and an administrative fee of five thousand dollars (\$5,000.00), for a total of twenty-five thousand dollars (\$25,000.00). The Commission notes that the total possible civil penalty in this matter is \$30,000.00 (\$2,000.00 for each violation). However, the Commission declines to assess the remaining \$10,000.00 in light of Respondent’s conversation with the Wilson campaign regarding some of the contributions.

By executing this Consent Order, Respondent understands that he is not only admitting to violations of the Ethics Act, but also confessing to a judgment of twenty-five thousand dollars (\$25,000.00) (less any

² The Commission attempted to corroborate Respondent’s statement by contacting Rebecca Mustian, an individual who worked for the Wilson campaign during the relevant time frame. Ms. Mustian, through a representative, declined to speak to Commission investigators.

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money paid to the Commission) in the event he does not make full and timely payment as provided for in this Order. In that event, the Commission shall file a Judgment against Respondent with the Clerk of Court in the County of Respondent's last known residence. Upon said filing, the Clerk of Court shall enter this Order in the amount of twenty-five thousand dollars (\$25,000.00) (less any money paid to the Commission) in its Judgment Rolls, without cost to the Commission.

AND IT IS SO ORDERED THIS 29th DAY OF July 2022.

STATE ETHICS COMMISSION


SCOTT E. FRICK, ACTING CHAIR

DocuSigned by:



CHAD PRICE
RESPONDENT


TODD RUTHERFORD
RESPONDENT'S ATTORNEY