

STATE OF RHODE ISLAND BOARD OF ELECTIONS

CAMPAIGN FINANCE AUDIT

KEVIN P. MILLONZI

CAMPAIGN FINANCE AUDIT



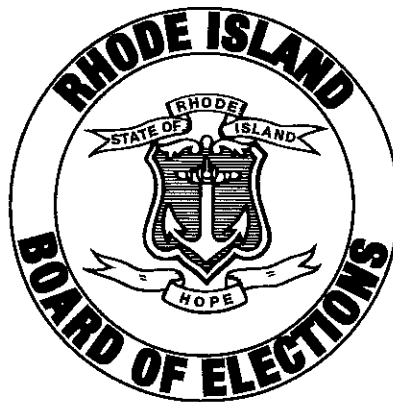
Audit Conducted By: Richard E. Thornton, Director of Campaign Finance

**STATE OF RHODE ISLAND
BOARD OF ELECTIONS**

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Kevin P. Millonzi

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INTRODUCTION

Audit Authority

Pursuant to Rhode Island General Law §17-25-5(a)(8), the Board of Elections is authorized to perform any duties that are necessary to implement the provisions of Chapter 25 of Title 17. Without limiting the generality of this provision, the Board is authorized and empowered to: Conduct compliance reviews and audits of campaign accounts as necessary, and in a manner consistent with the provisions of Chapter 25, Title 17.

Audit Purpose

Campaign Finance audits assist the Board of Elections with enforcement of campaign finance laws, provides a tool to evaluate the effectiveness of those laws and the campaign finance reporting process, verifies the accuracy and propriety of campaign finance receipts and validity and legality of campaign finance expenses and helps provide timely and accurate information to the public.

Campaign Finance audits assist and encourage candidate compliance with campaign finance reporting laws and promotes candidate accountability and integrity.

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Scope: Review campaign finance reports and supporting documentation for the period June 1, 2020 through August 31 30, 2021.

Methodology: Review Contributions:

- Compare contributions received to bank statement deposits
- Compare contributions received to contributions reported on campaign finance reports
- Verify there are no prohibited contributions
- Verify contributions do not exceed aggregate annual limit

Review Expenditures:

- Compare expenditures made to bank statement checks/debits
- Compare expenditures made to expenditures reported on campaign finance reports
- Verify there are no prohibited uses of campaign funds
- Verify campaign expenditures are valid and legal.

History: Kevin P. Millonzi ("Millonzi"), a Democrat, ran unsuccessfully for Johnston Town Council in 2016 and 2020.

In March 2017, Millonzi filed three (3) delinquent campaign finance reports due during the 2016 election period, required pursuant to R.I.G.L. §17-25-11(c)(1), and appealed for a waiver or reduction of the accumulated late filing fines of \$663.00.

- In April 2017, Millonzi paid in full the late filing fines which were administratively reduced on appeal to \$100.00.

In June 2019, the RI Board of Elections ("Board") authorized the service of a subpoena upon Millonzi due to his failure to submit a copy of his 2018 campaign bank account statement pursuant to R.I.G.L. §17-25-11(c)(2) and failure to file five (5) campaign finance reports due in 2018 and 2019, required pursuant to R.I.G.L. §17-25-11(c)(1).

- In July 2019, Millonzi filed the delinquent reports, submitted a copy of his 2018 bank statement and appealed for a waiver or reduction of accumulated late filing fines of \$2,415.00.
- In August 2019, Millonzi paid in full the late filing fines which were administratively reduced by the Board to \$200.00.

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In August 2021, the Board initiated an audit of the campaign account of Millonzi pursuant to R.I.G.L. §17-25-5(a), due to his failure to submit a copy of his 2020 campaign bank account statement pursuant to R.I.G.L. §17-25-11(c)(2) and failure to file four (4) campaign finance reports, required pursuant to R.I.G.L. §17-25-11(c)(1).

On October 1, 2021, the Board received via subpoena served upon the bank of Millonzi's campaign account, campaign depository account bank statements for the period June 1, 2020 through August 31, 2021.

Findings: The following are Findings of campaign finance violations discovered during the Audit Review of Millonzi's campaign account and supporting documentation:

Contributions:

- \$5,000.00 in loan proceeds was reported received by the campaign on 6/22/2020 in a campaign finance report filed by Millonzi, but not supported by his campaign bank account statement.
- \$10,070.81 in loan proceeds/contributions from Millonzi were deposited into his campaign bank account, but not reported on his campaign finance reports.
- \$180.00 contribution from an allowable source was deposited into Millonzi's campaign bank account, but not reported on his campaign finance report.
- \$420.00 cash contributions, from unconfirmed source(s), were deposited into Millonzi's campaign bank account, but not reported on his campaign finance report.

Expenditures:

- \$3,728.90 in campaign expenditures, representing six (6) transactions, were disclosed on campaign finance reports, but not expended from the campaign bank account.
- \$5,407.64 in campaign expenditures, representing twelve (12) transactions, were expended from the campaign bank account, but not disclosed on campaign finance reports.

Summary: The Audit Review of Millonzi's campaign account and supporting documentation for the period June 1, 2020 through August 31, 2021 demonstrates:

Kevin P. Millonzi

- A loan proceeds (\$5,000.00) and six (6) expenditures (\$3,728.90) were disclosed on campaign finance reports, but not made through the campaign bank account, in violation of R.I.G.L. §17-25-5.2.
- Loan proceeds/contributions (\$10,670.81) and twelve (12) expenditures (\$5,407.64) were disclosed on campaign bank account statements, but not disclosed on campaign finance reports, in violation of R.I.G.L. §17-25-11.
- Cash contributions (\$420.00) were received from source(s) unconfirmed, in violation of R.I.G.L. §17-25-10.1 (i).
- A copy of his 2020 campaign bank account statement was not submitted by Millonzi, in violation of R.I.G.L. §17-25-11(c)(2).
- A separate campaign treasurer or deputy treasurer was not appointed and Account Certifications for two (2) campaign finance reports were not submitted, in violation of R.I.G.L. §17-25-11.2(a).

Auditee Response:

- Millonzi acknowledges he failed to file four (4) campaign finance reports and submit a copy of his 2020 campaign bank account statement. Millonzi also acknowledges he did use his personal credit card to pay for some campaign expenses, rather than pay the expenses with campaign funds. Millonzi believes, but cannot confirm, the cash was inadvertently deposited into his campaign account, but was intended to be deposited into his business account.

Action:

Consent Order (to follow)

State of Rhode Island
Board of Elections

CONSENT ORDER

In Re: Kevin P. Millonzi

Kevin P. Millonzi ("Millonzi") hereby agrees to the entry of this Order and to each term and condition set forth herein:

1. At all times relevant hereto, Millonzi has been subject to the reporting requirements set forth in Title 17, Chapter 25 of the General Laws, pertaining to campaign contributions and expenditures.
2. In March 2017, Millonzi filed three (3) delinquent campaign finance reports due during the 2016 election period, required pursuant to R.I.G.L. §17-25-11(c)(1), and appealed for a waiver or reduction of the accumulated late filing fines of \$663.00.
 - In April 2017, Millonzi paid in full the late filing fines which were administratively reduced by the Board on appeal to \$100.00.
3. In June 2019, the RI Board of Elections ("Board") authorized the service of a subpoena upon Millonzi due to his failure to submit a copy of his 2018 campaign bank account statement pursuant to R.I.G.L. §17-25-11(c)(2) and failure to file five (5) campaign finance reports due in 2018 and 2019, required pursuant to R.I.G.L. §17-25-11(c)(1).
 - In July 2019, Millonzi filed the delinquent reports, submitted a copy of his 2018 bank statement and appealed for a waiver or reduction of accumulated late filing fines of \$2,415.00.
 - In August 2019, Millonzi paid in full the late filing fines which were administratively reduced by the Board on appeal to \$200.00.
4. In August 2021, the Board initiated an audit of the Millonzi's campaign account due to his failure to submit a copy of the 2020 campaign bank account statement in violation of R.I.G.L. §17-25-11(c)(2) and failure to file four (4) campaign finance reports in violation of R.I.G.L. §17-25-11(c)(1).
5. The Board conducted a full review of campaign finance reports, supporting documentation and bank records obtained via subpoena to verify the accuracy and propriety of campaign receipts and expenditures. The review determined the following:
 - A loan proceeds (\$5,000.00) and six (6) expenditures (\$3,728.90) were disclosed on campaign finance reports, but not made through the campaign bank account, in violation of R.I.G.L. §17-25-5.2.
 - Loan proceeds/contributions (\$10,670.81) and twelve (12) expenditures

(\$5,407.64) were disclosed on campaign bank account statements, but not disclosed on campaign finance reports, in violation of R.I.G.L. §17-25-11.

- Cash contributions (\$420.00) were received from source(s) unconfirmed, in violation of R.I.G.L. §17-25-10.1 (i).
- A copy of his 2020 campaign bank account statement was not submitted by Millonzi, in violation of R.I.G.L. §17-25-11(c)(2).
- A separate campaign treasurer or deputy treasurer was not appointed and Account Certifications for two (2) campaign finance reports were not submitted, in violation of R.I.G.L. §17-25-11.2(a).

6. Millonzi hereby acknowledges that he violated several provisions of Title 17, Chapter 25; and authorized the Board to amend his campaign finance reports for completeness and accuracy.

7. Millonzi hereby waives his right to any further hearing before the Board, and his right to bring any legal challenge before any state or federal court and expressly consents to a finding by the Board that his actions, as more fully described above, violate the reporting and compliance requirements of Title 17, Chapter 25.

8. Millonzi further consents to the entry of this Order and to the forfeiture of campaign funds pursuant to R.I.G.L. §17-25-10(c), in the amount of \$420.00; to the payment of late filing fines assessed pursuant to R.I.G.L. §17-25-11(g)(2,3) for his failure to file four (4) campaign finance report, in the amount of \$500.00 to be paid personally by him; to the imposition of a civil fine by the Board pursuant to R.I.G.L. §17-25-13(b), in the amount of \$4,000.00 to be paid personally by him and consents to submit documentation to the Board supporting his campaign finance reports from the fourth quarter of 2021 through the fourth quarter of 2022.

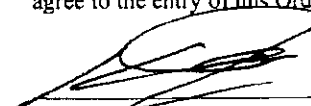

9. Millonzi hereby agrees to the following schedule for the forfeiture and fine payments:

- \$420.00 forfeiture of campaign funds to the State of RI within thirty (30) days of the execution of this Consent Order; and
- \$4,500.00 fine to be paid personally by Kevin P. Millonzi within one hundred eighty (180) days of the execution of this Consent Order.

10. Millonzi agrees to make the forfeiture and fine payments described above on or before the Due Date. In the event Millonzi fails to make a payment by the corresponding Due Date, the Board shall notify Millonzi both by U.S. Mail First Class and electronically at the residence and email address set forth below ("Delinquency Notice"). Millonzi shall be afforded ten (10) calendar days from the date of the Delinquency Notice to make the overdue payment. In the event the aforesaid payment is not made within the ten (10) day notice period, Millonzi agrees that the fine shall increase to \$9,000.00 which shall immediately become due and payable to the Board and that the Board shall refer the unpaid debt to the Department of Revenue-Central Collections Unit for collection. Millonzi consents to the personal jurisdiction and entry of this Order as a final judgment and waives any and all defenses that he may have to its enforcement.

The forfeiture and fine contained herein relate only to the violations identified in this Order and do not cover any violations not listed.

I, Kevin P. Millonzi, agree to each and every term set forth above and further agree to the entry of this Order.


Kevin P. Millonzi
Date 11/29/21
So entered this 16th day of December, 2021

Diane Mederos, Chairwoman