

STATE OF RHODE ISLAND BOARD OF ELECTIONS

CAMPAIGN FINANCE AUDIT

RAMON A. PEREZ

CAMPAIGN FINANCE AUDIT



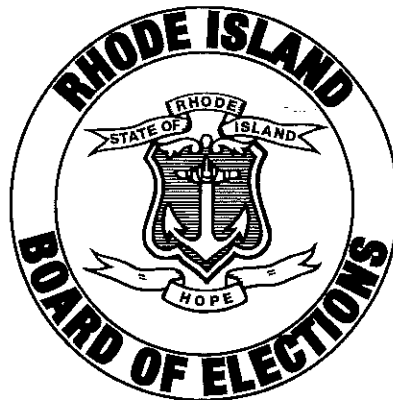
Audit Conducted By: Richard E. Thornton, Director of Campaign Finance

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BOARD OF ELECTIONS**

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Ramon A. Perez

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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 January 1, 2020 through March 31, 2022.

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: Ramon A. Perez ("Perez"), a Democrat, ran successfully for State Representative in 2020 and 2016, ran unsuccessfully for State Representative in 2018 and 2009; and ran unsuccessfully for State Senator in 2012 and 2014.

In April 2022, the Board initiated an audit of Perez's campaign bank account pursuant to R.I.G.L. §17-25-5(a), due to his reporting of Aggregate Expenditures at the end of years 2020 and 2021.

In May 2022, the Board received via subpoena served upon Perez's campaign bank account, depository account bank statements for the period January 1, 2020 through March 31, 2022.

Findings: The following are Findings of campaign finance violations discovered during the Audit Review of campaign finances, campaign bank account and supporting documentation for Perez:

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Contributions:

- \$6,574.27 in loan proceeds were reported on campaign finance reports as received from Perez, but not supported by his campaign bank account statements.
- \$5,653.80 in loan proceeds/contributions from Perez were transferred or deposited into his campaign bank account, but not reported on his campaign finance reports.
- \$1,000.00 contribution received from a Political Action Committee was misidentified on a campaign finance report as received from a Candidate.
- \$100.00 contribution received from an Individual was not reported on Perez's campaign finance report.

Expenditures:

- \$8,595.03 in campaign expenditures, representing twenty-one (21) transactions, were disclosed on campaign finance reports, but not expended from the campaign bank account.
- \$5,457.78 in campaign expenditures disclosed on campaign finance reports, but not expended from the campaign bank account could not be validated by receipt or other documentation.
- \$7,831.54 in campaign expenditures, representing eighty-nine (89) transactions, including \$4,500.00 in debits or withdrawals, were expended from the campaign bank account, but not disclosed on campaign finance reports.
- \$1,072.49 in personal expenses were paid from the campaign bank account.

Other:

- An Account Certification (Form CF-9) was not filed for the 2020 Q4 reporting period.

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Summary: The Audit Review of Perez's campaign finances, campaign bank account and supporting documentation for the period January 1, 2020 through March 31, 2022 demonstrates:

- Loan proceeds (\$6,574.27) and twenty-one (21) expenditures (\$8,595.03) 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.
- Campaign expenditures (\$5,457.78) disclosed on campaign finance reports, but not expended from the campaign bank account could not be validated by receipt or other documentation, in violation of R.I.G.L. § § 17-25-7, 17-25-11 and 17-25-11.1.
- Loan proceeds/contributions from Perez (\$5,653.80); a contribution from an Individual (\$100.00) and eighty-nine (89) expenditures (\$7,831.54), including debits or withdrawals (\$4,500.00) were disclosed on campaign bank account statements, but not disclosed on campaign finance reports, in violation of R.I.G.L. § § 17-25-7 and 17-25-11.
- Personal expenses (\$1,072.49) were paid from the campaign bank account in violation of R.I.G.L. §17-25-7.2.
- An Account Certification for one (1) campaign finance report was not submitted, in violation of R.I.G.L. §17-25-11.2(a).

Auditee Response: Perez explained that he would communicate the contribution and expenditure information to be included on each campaign finance report to his treasurer via phone and that the treasurer did not review source documentation or campaign bank account statements. Perez acknowledged that he paid some campaign expenditures from his personal funds and not from funds in his campaign account. He further acknowledged that he made personal expenditures from his campaign account and reasoned that the campaign owed him money which allowed him to make the personal expenditures.

Action: Consent Order (follows)

State of Rhode Island
Board of Elections

CONSENT ORDER

In Re: Ramon A. Perez

Ramon A. Perez ("Perez") hereby agrees to the entry of this Order and to each term and condition set forth herein:

1. At all times relevant hereto, Perez 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 April 2022, the Board of Elections ("Board") initiated an audit of the campaign account of Perez pursuant to R.I.G.L. §17-25-5(a), due to his reporting of expenditures in the aggregate at the end of years 2020 and 2021.
3. 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 for the period January 1, 2020 through March 31, 2022. The review determined the following:
 - Loan proceeds (\$6,574.27) and twenty-one (21) expenditures (\$8,595.03) 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.
 - Campaign expenditures (\$5,457.78) disclosed on campaign finance reports, but not expended from the campaign bank account could not be validated by receipt or other documentation, in violation of R.I.G.L. § § 17-25-7, 17-25-11 and 17-25-11.1.
 - Loan proceeds/contributions from Perez (\$5,653.80); a contribution from an Individual (\$100.00) and eighty-nine (89) expenditures (\$7,831.54), including debits or withdrawals (\$4,500.00) were disclosed on campaign bank account statements, but not disclosed on campaign finance reports, in violation of R.I.G.L. § § 17-25-7 and 17-25-11.
 - Personal expenses (\$1,072.49) were paid from the campaign bank account in violation of R.I.G.L. §17-25-7.2.
 - An Account Certification for one (1) campaign finance report was not submitted, in violation of R.I.G.L. §17-25-11.2(a).

4. Perez hereby acknowledges that he violated the provisions of Title 17, Chapter 25, as summarized in Paragraph 3, which required twelve (12) campaign finance reports to be amended for complete and accurate reporting.
5. Perez 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 in Section 3, violate the reporting and compliance requirements of Title 17, Chapter 25.
6. Perez further consents to the entry of this Order and the imposition of a fine by the Board pursuant to R.I.G.L. §17-25-13(b), in the amount of \$6,000.00 to be paid personally by him; consents to a reimbursement to his campaign account from his personal funds for campaign funds expended for personal use, in the amount of \$1,072.49 and consents to submit campaign bank account statements and documentation to the Board supporting his campaign finance reports from the second quarter of 2022 through the fourth quarter of 2024.
7. Perez hereby agrees to the following schedule for reimbursement and fine payment:
 - \$1,072.49 reimbursement to the campaign bank account from the personal funds of Ramon A. Perez by September 2, 2022; and
 - \$6,000.00 fine to be paid to the Board from the personal funds of Ramon A. Perez as follows:
 - \$3,000.00 paid by June 30, 2023, and
 - \$3,000.00 paid by June 30, 2024.
8. Perez agrees to make the reimbursement and fine payments described above on or before the Due Dates. In the event Perez fails to make the reimbursement or fine payment by the corresponding Due Dates, the Board shall notify Perez both by U.S. Mail First Class and electronically at the residence and email address set forth in Perez's Notice of Organization ("Delinquency Notice"). Perez shall be afforded ten (10) calendar days from the date of the Delinquency Notice to make the overdue reimbursement or fine payment. In the event the aforesaid reimbursement or fine payment is not made within the ten (10) day notice period, Perez agrees that any unpaid portion of the reimbursement and fine shall double, 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. Perez 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 fine contained herein relates only to the violations identified in this Order and do not cover any violations not listed.

I, Ramon A. Perez, agree to each and every term set forth above and further agree to the entry of this Order.

Ramon A. Perez _____ Date _____

So entered this 3rd day of August, 2022

Diane C Mederos
Diane Mederos, Chairwoman

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