

STATE OF RHODE ISLAND BOARD OF ELECTIONS

CAMPAIGN FINANCE AUDIT

SENATOR ELIZABETH A. CROWLEY

CAMPAIGN FINANCE AUDIT



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

**STATE OF RHODE ISLAND
BOARD OF ELECTIONS**

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Elizabeth A. Crowley

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Elizabeth A. Crowley

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, 2016 through December 31, 2020.

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: In April 2020, the Board of Elections ("Board") initiated an audit of the campaign account of Elizabeth A. Crowley ("Crowley") pursuant to R.I.G.L. §17-25-5(a). due to Crowley reporting several campaign expenditures on her 2019 On-Going Quarterly (4th) campaign finance report which did not appear on her campaign account bank statement.

The Board requested Crowley produce campaign account bank statements for the period January 1, 2016 through December 31, 2020; an accounting of all campaign expenditures which were paid with Cash or with a Personal Debit Card; and an accounting of unreported Contributions. Crowley voluntarily produced all the requested statements and some of the accounting.

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

Elizabeth A. Crowley

Contributions:

- \$3,045.40 in campaign account deposits not reported on campaign finance reports, in violation of R.I.G.L. §17-25-7; and
- Three (3) instances when a business check was deposited into the campaign account for the purpose of providing the check holder cash totaling \$510.21, in violation of R.I.G.L. §17-25-5.2(a).

Expenditures:

- Cash withdrawals and fees totaled \$14,782.45, with only \$3,722.48 accounted for as allegedly used for valid campaign expenses, in violation of R.I.G.L. §17-25-7.
- Use of non-campaign account to pay for campaign expenditures totaling at least \$4,000.00, in violation of R.I.G.L. §17-25-5.2(a).
- Unable to provide a complete and accurate accounting of all expenditures reported on campaign finance reports filed with the Board of Elections, totaling at least \$7,000.00, in violation of R.I.G.L. §17-25-7.
- Did not report all campaign expenditures incurred by the campaign on reports filed with the Board of Elections, in violation of R.I.G.L. §17-25-7.
- Reported expenditures that were not incurred by the campaign on reports filed with the Board of Elections, in violation of R.I.G.L. §17-25-7.
- Did not retain records of all expenditures which were reported on campaign finance reports filed with the Board of Elections, in violation of R.I.G.L. §17-25-11.1(a).

Disclosures:

- For 2016, the campaign treasurer failed to file an Account Certification for each of six (6) campaign finance reports, in violation of R.I.G.L. §17-25-11.2.

Summary: The Audit Review of Crowley's campaign account and supporting documentation for the period January 1, 2016 through December 31, 2020 demonstrates inaccurate and incomplete reporting of campaign contributions and expenditures on campaign finance reports; use of non-campaign accounts to pay for campaign expenditures; lack of proper record keeping and retention; failure to file Account Certifications and incomplete accounting for cash withdrawals.

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Auditee Response: Crowley indicated that she did not keep all the receipts for expenses incurred and that some of the receipts she did keep faded over time and became unreadable. Crowley was adamant that no campaign funds were converted to personal use and that the cash she withdrew from her campaign account was often given to poor and homeless individuals or to reimburse herself for campaign expenses she paid from her personal account. Crowley admitted she never glanced at the campaign account bank statements or reconciled the campaign account, but she did give her treasurer contribution and expenditure information each reporting period for disclosure on her campaign finance reports.

Action: Consent Order (as follows)

State of Rhode Island
Board of Elections

CONSENT ORDER

In Re: Elizabeth A. Crowley

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

1. At all times relevant hereto, Mrs. Crowley 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 2020, the Board of Elections ("Board") initiated an audit of the campaign account of Mrs. Crowley pursuant to R.I.G.L. §17-25-5(a), due to Mrs. Crowley reporting several campaign expenditures on her 2019 On-Going Quarterly (4th) campaign finance report which did not appear on her campaign account bank statement.
3. The Board requested Mrs. Crowley produce campaign account bank statements for the period January 1, 2016 through December 31, 2020; an accounting of all campaign expenditures which were paid with Cash or with a Personal Debit Card; and an accounting of unreported Contributions. Mrs. Crowley voluntarily produced all the requested statements and some of the accounting.
4. The Board conducted a full review of campaign finance reports, bank statements and supporting documentation to verify the accuracy and propriety of campaign receipts and expenditures. The review determined the following:
 - \$3,045.40 in campaign account deposits not reported on campaign finance reports, in violation of R.I.G.L. §17-25-7;

- Three (3) instances when a business check was deposited into the campaign account for the purpose of providing the check holder cash totaling \$510.21, in violation of R.I.G.L. §17-25-5.2(a);
 - Cash withdrawals and fees totaled \$14,782.45, with only \$3,722.48 accounted for as allegedly used for valid campaign expenses, in violation of R.I.G.L. §17-25-7.
 - Use of non-campaign account to pay for campaign expenditures totaling at least \$4,000.00, in violation of R.I.G.L. §17-25-5.2(a).
 - Unable to provide a complete and accurate accounting of all expenditures reported on campaign finance reports filed with the Board of Elections, totaling at least \$7,000.00, in violation of R.I.G.L. §17-25-7.
 - Did not report all campaign expenditures incurred by the campaign on reports filed with the Board of Elections, in violation of R.I.G.L. §17-25-7.
 - Reported expenditures that were not incurred by the campaign on reports filed with the Board of Elections, in violation of R.I.G.L. §17-25-7.
 - Did not retain records of all expenditures which were reported on campaign finance reports filed with the Board of Elections, in violation of R.I.G.L. §17-25-11.1(a); and
 - For 2016, the campaign treasurer failed to file an Account Certification for each of six (6) campaign finance reports, in violation of R.I.G.L. §17-25-11.2.
5. Mrs. Crowley hereby acknowledges and agrees with the violations set forth in Paragraph 4 above, as determined during a review of her campaign finances for the period January 1, 2016 through December 31, 2020.
6. Mrs. Crowley hereby waives her right to any further hearing before the Board, and her right to bring any legal challenge before any state or federal court and expressly consents to a finding by the Board that her actions, as more fully described above, violate the reporting and compliance requirements of Title 17, Chapter 25.

State of Rhode Island
Board of Elections

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MODIFIED CONSENT ORDER

In Re: Elizabeth A. Crowley

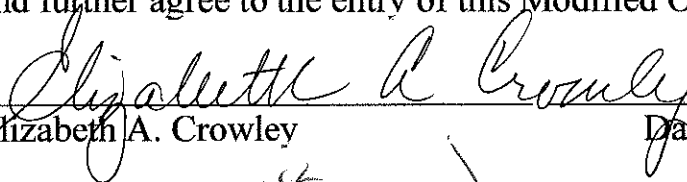
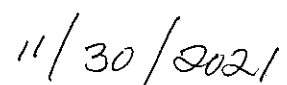
Elizabeth A. Crowley ("Crowley") hereby agrees to the entry of this Modified Consent Order and to each term and condition set forth herein:

1. On April 6, 2021, the RI Board of Elections ("Board") voted to approve a Consent Order, wherein Mrs. Crowley acknowledged and agreed with various violations of R.I.G.L. §17-25 as determined during a review of her campaign finances for the period January 1, 2016 through December 31, 2020.
2. The Consent Order provided Mrs. Crowley pay a \$6,000.00 fine to the Board, with \$2,000.00 due by December 31 of years 2021, 2022 and 2023.
3. Mrs. Crowley paid \$400.00 on August 2, 2021, resulting in an unpaid balance of \$5,600.00.
4. Seeking modification of the original Consent Order, Mrs. Crowley hereby agrees to pay the remaining \$5,600.00 fine to the Board according to the following schedule ("Due Date"):
 - \$500.00 due by December 31, 2021;
 - \$200.00 due by the last business day of each month, commencing January 2022 and continuing each successive month through November 2023; and
 - \$500.00 due by the last business day of December 2023.
5. Mrs. Crowley agrees to make each payment described above on or before the Due Date. In the event Mrs. Crowley fails to make any


payment by its corresponding Due Date, the Board shall notify her both by U.S. Mail First Class and electronically at the residence and email address set forth below ("Delinquency Notice"). Mrs. Crowley 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, Mrs. Crowley agrees that the entire unpaid fine 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. Mrs. Crowley consents to the personal jurisdiction and entry of this Modified Order as a final judgment and waives any and all defenses that she may have to its enforcement.

The fines contained herein relate only to the violations identified in the original Order and do not cover any violations not listed.

I, Elizabeth A. Crowley, agree to each and every term set forth above and further agree to the entry of this Modified Order.

	
<hr/> Elizabeth A. Crowley	<hr/> Date

So entered this 16th day of December, 2021.



Diane Mederos, Chairwoman